Daily Report

Latin America

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Cuba

Politburo Members' Activities 23 Feb - 1 Mar

FL0203133793

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba carried on Havana radio and television in Spanish between 23 February and 1 March.

Esteban Lazo and Jose Ramon Balaguer today visited the press center set up in Santiago de Cuba to cover the 24 February elections. [Radio Reloj 2034 GMT 23 Feb]

Juan Almeida Bosque said he felt revitalized by the Cuban people's patriotism and spirit of unity he experienced in talking to Santiago de Cuba voters who nominated him as a candidate for deputy. Almeida toured Electoral District No. 9 in Santiago de Cuba, accompanied by other candidates. [Radio Rebelde 1255 GMT 24 Feb]

Jose Ramon Machado Ventura dedicated an ice plant at El Salvador Mill. The plant, which benefits sugarcane cutters and agricultural workers, is capable of producing 90 quintals in 8 hours. It helps save fuel because ice has had to be transported from Guantanamo City to various mills. Machado also visited the low-income residential areas in District No. 1 of west-central Guantanamo as part of the candidates' tour of activities being carried out in conjunction with the elections. Registered voters number 324,000.

In Santiago de Cuba, Vilma Espin, Concepcion Campa, Esteban Lazo, and Jose Ramon Balaguer attended the swearing-in of new provincial and municipal court judges and officials in the Santiago de Cuba Palace of Justice. [Radio Rebelde 0000 GMT 24 Feb]

Accompanied by Esteban Lazo, Fidel Castro voted at a polling place in District No. 7 of Santiago de Cuba Province. Roberto Robaina voted early this morning in Cerro Municipality, Havana. Also, Yadira Garcia has toured Bayamo, Granma Province. Meanwhile, in Guantanamo, Jose Ramon Machado Ventura also voted. [Radio Reloj 1500 GMT 24 Feb]

Radio Rebelde was visited by Roberto Robaina along with other members of the national bureau of the Union of Young Communists. Robaina said they were visiting the radio station on the anniversary of Radio Rebelde, Baire, and the occasion of the general elections in order to share such an important day and to win over some hearts at the last minute. Robaina said further that young people must defend the sacred values of the Revolution for the children and future generations, and that the Cuban people have much yet to do in the battle of the elections. He ended by saying that they will celebrate the victory of the Revolution in the elections. [Radio Rebelde 1200 GMT 24 Feb]

Army General Raul Castro exercised his right to vote at Polling Station No. 2 in District No. 2 in Segundo Frente Municipality, Santiago de Cuba Province, where he is a candidate for deputy. He said he had toured the 13 Segundo Frente polling stations from early morning and emphasized the day's success based on his observations. He acknowledged the magnificent work and results of the 20 December elections and said he expected the same or better results from this election.

Julian Rizo Alvarez attended a ceremony in Holguin to present National Assembly deputy and provincial delegate candidates to the people this afternoon in the Calixto Garcia Park. The people expressed their support for the Revolution, socialism, and Fidel Castro. [Radio Reloj 2030 GMT 24 Feb]

Las Tunas Province is beginning its new defense year. Activities were held to inaugurate the event. Alfredo Jordan attended the main ceremony in Las Tunas City, during which he acknowledged the work done in this field and the need for improvement. [Radio Reloj 2030 GMT 28 Feb]

Pedro Ross chaired a meeting of the Havana City provincial committee of the Cuban Workers Federation during which the committee resolved to ensure the mobilization of harvest work forces during the spring season through July. They also resolved to increase milk production, maintain cane and tobacco brigades, and support distribution of tubers and vegetables in Havana City Province. [Radio Rebelde 1000 GMT 1 Mar]

Pedro Ross Leal, secretary general of the Cuban Workers Federation, and other leaders presented the Jose Ramon Martinez award—for meritorious performance in production, conservation of resources, defense, and the food program—to 64 members of the Villa Clara Province Light Industry Workers Union at a ceremony on 1 March, Light Industry Workers Day. [Radio Reloj 2030 GMT 1 March]

Raul Castro Continues Tour of Central Region

FL0203203193 Havana Radio Rebelde Network in Spanish 1800 GMT 2 Mar 93

[Text] Army General Raul Castro, minister of the Revolutionary Armed Forces [FAR], continued his tour of the central region of the island. Yosi Jimenez reports on these visits and meetings.

[Jimenez] This phase of the tour began with a visit to the Higher Institute of Agriculture in Ciego de Avila Province, a key center in the scientific development of the food program in the province and the rest of the country. The visitors received an extensive explanation of the work that is being carried out there, which focuses primarily on citrus, bananas, sugarcane, and pineapple research, as well as research into ornamental plants which are in great demand in the international market.

Raul and his delegation learned that one of the main lines of research is aimed at obtaining seeds of excellent genetic quality, among other characteristics, which has made it possible, for example, to obtain 500,000 agamic seeds from one pineapple crown through different means that have already been mastered. The FAR minister said that even though the visitors could not fully understand the scientific subject in all its complexity, they could understand the economic importance of achieving the propagation of millions of seeds of high genetic quality for the crops that are so decisive in the diet of our people and for export.

Afterwards, the delegation visited a large cave which can resist the most severe enemy bombing. The second secretary of the Central Committee of the Communist Party of Cuba [PCC] said that with each day that passes, the country takes a solid step forward in its defensive capability.

After visiting other sites, some of historical significance, Raul and his companions toured the Jatibonico del Norte River Post, which marks the administrative division between Ciego de Avila and Sancti Spiritus. Jorge Valdes, the PCC first secretary for Sancti Spiritus Province, showed them the new rural community of 25 houses for agricultural workers.

Electric Union Explains 'Severe' Power Outages

FL0303023393 Havana Cuba Vision Network in Spanish 0100 GMT 3 Mar 93

[Text] The Electric Union has announced that because of restrictions having to do with fuel supplies to the Antonio Guiteras Thermoelectric Power Plant in Matanzas, the Diez de Octubre Plant in Nuevitas, and the plant in Santa Cruz del Norte, the union has been obliged to reduce the amount of electricity generated. This has led to severe increases in power outages throughout Cuba. The supplying of fuel to the Antonio Guiteras Plant should be reestablished within the next few hours; and after that, to the Diez de Octubre and Santa Cruz Plants.

Once the level of generation is back to normal, the regular schedule of power outages for the different places will be resumed.

Vietnamese Solidarity Group Donates Rice

FL0203230493 Havana Radio Reloj Network in Spanish 2032 GMT 2 March 93

[Text] Today, Nguyen Huu Tho, one of the many Vietnamese heroes of the war against the United States, made a token presentation of 10,000 tons of rice for Cuba to the Cuban Ambassador to Vietnam Tania Maceira.

Vo Van Kiet, the enthusiastic vice president of the Fatherland Front and inspirator of the solidarity campaigns with Cuba began last year, emotionally recalled the history of the visit by Fidel to Vietnam two decades ago and his desire to carry out numerous projects in the areas destroyed by the war, which he has accomplished.

To support Cuba is to live justly and with emotion. Van Kiet said this truly expresses our gratitude to share with our brothers the high price of dignity and sovereignty.

For her part the Cuban ambassador in Hanoi emphasized Vietnam's solidarity toward the people of Fidel and pointed out that material help is a moral esteem of incalculable value.

Inter-Caribbean Affairs

Winban Reports Improved Quality of Banana Shipments

FL0203161393 Bridgetown CANA in English 1555 GMT 2 Mar 93

[Text] Castries, St. Lucia, March 2, CANA—The Windward Islands Banana Growers Association (Winban) Tuesday [2 March] reported "substantial improvement" in the quality of bananas shipped to Britain in recent weeks.

The news followed repeated warnings to farmers from industry officials and governments that the islands' vital banana export trade would suffer if something was not done to correct a recurring problem of poor fruit quality.

The turn-around also coincides with intense efforts by Latin American banana exporters to obtain a greater share of the European market where Windwards bananas receive preferential treatment.

Winban, which groups the national growers organisations of St. Vincent and the Grenadines, St. Lucia, Grenada and Dominica, said the ripe quality score of the three larger producers (these were not named) had jumped to 70 and 80 per cent during the third week of 1993 compared with scores in the 50's and 60's during the second half of last year.

"The main contributors to this upswing in quality are lower levels of ship ripes, crown rot and mechanical damage. Three of the four islands have shared in this positive trend and it is expected that all four will have scores in the 70's and 80's consistently by the second quater," Winban said.

Winban noted the four islands had committed themselves to pursuing comprehensive quality improvement strategies including a radical change in banana processing and packaging techniques.

With the improvement, Winban told farmers they should not "regard the task as completed or even half way done".

"We must all work together to realize the targets we have set...," the organisation said. "Winban urges everyone involved in the industry to work with the respective

banana associations in implementing their respective quality improvement programmes".

Manning Reports 'Successful' Caricom Bureau Meeting

FL0203202193 Bridgetown CANA in English 1756 GMT 2 Mar 93

[Text] Nassau, Bahamas, March 2, CANA—When Caribbean Community (Caricom) heads of government hold their inter-sessional meeting in Dominica later this month, they will take the first steps towards establishing an Association of Caribbean States (ACS) as proposed by the now defunct West Indian Commission. Trinidad and Tobago Prime Minister Patrick Manning, current chairman of Caricom, made the announcement here at the end of what he described as a successful meeting of the Caricom bureau over the weekend.

The bureau is a new executive body responsible for monitoring the implementation of decisions taken at annual Caricom summits. It currently comprises Prime Minister Hubert Ingraham of the Bahamas, the incoming chairman of Caricom, Manning the current chairman, St. Kitts-Nevis Prime Minister Dr. Kennedy Simmonds, the immediate past chairman, and Secretary-General Edwin Carrington.

Manning said the heads, at the March 22-23 meeting, would begin the process of sounding out Caribbean countries that are not Caricom members about the ACS to take the proposal one step forward towards possible implementation. The ACS was a major proposal of the West Indian Commission which suggested ways in which economic integration and cooperation among Caribbean countries can be strengthened.

Issues dealt with by the bureau at this, its second meeting, included preparations for the United Nations global conference on sustainbable development of small island developing countries, to be held in Barbados in 1994; the Caricom/Canadian International Development Agency (CIDA) regional institutional strengthening project; and restructuring of the Caricom Secretariat.

Members also discussed the finances of the secretariat, recent developments in South Africa which was an issue raised by the Bahamas, preparations for the Dominica inter-sessional meeting of the heads, and the future programme of the bureau which held its first meeting in December.

In a Bahamas Government statement, Manning said the bureau condemned current repression in Haiti and expressed satisfaction at the intervention of the United Nations in the search for a solution to the political crisis in the Caribbean country.

"We continue to hope that the involvement of the UN/OAS (Organisation of American States) mission that is in Haiti today contributes in no small measure to a return of democracy in Haiti," Manning said.

He said the bureau discussed the proposed British Government Asylum and Immigration Bill, currently before Parliament, and expressed concern it would remove the right of appeal of persons who have been refused entry into the United Kingdom.

"The bureau expresses great alarm at that development and we have taken a number of decisions designed to draw the concern of member-states to the attention of the British authorities with a view to seeking to have a review of that piece of legislation, hoping in that process that a more amicable arrangement can be enacted into law in the United Kingdom," Manning said.

The bureau, he said, also took note of the success of the West Indies cricket team on the Australian and South African tours, and the deaths of three distinguished Caribbean personalities, Sir Allan Lewis, Mr. Slade Hopkinson, and Dr. Carl Stone. Sir Allan was a governor-general of St. Lucia and chancellor of the University of the West Indies (UWI), Mr. Hopkinson a dramatist and Dr. Stone a pollster and political sociologist at UWI at Mona, Jamaica.

"We have taken note of the significant contributions these gentlemen have made to West Indian life and to West Indian integration," Manning said.

Manning also expressed satisfaction with how the bureau has been discharging its responsibility. He said: "The bureau seems to be working reasonable well. In fact, it is working to such an extent that the workload of the Caricom Secretariat has now increased quite significantly...."

Manning said another issue raised in the talks was the question of the entry of Caricom bananas into the European Community, an issue that has caused a souring of relations between some Caricom banana-exporting states and competitors in Latin America. Under the Lome IV Convention, he said there was an agreement with respect to Caricom bananas entering the European Community, but noted it was complicated by the availability of bananas from other areas and the aggressive stance taken by Latin American countries. At its first meeting in December, Manning said the bureau adopted the position to contact the EC and make appropriate representation.

"We are quite pleased that as of now, we have been able to secure an arrangement that facilitates the entry of Caricom bananas into the EEC," he said.

Grenada

Brathwaite Dismisses Health Minister Andrew

FL0303002493 Bridgetown CANA in English 2138 GMT 2 Mar 93

[By Richard Simon]

[Text] St. George's, Grenada, March 2, CANA—The future of Grenada's ruling National Democratic Congress (NDC) was in question Tuesday [2 March], following Prime Minister Nicholas Brathwaite's decision to sack Health Minister Michael Andrew [name as received]. Andrew's removal from the cabinet came one week after he criticized Tourism Minister Joan Purcell in Parliament for commissioning a study of conditions at the island's main St. George's General Hospital. Andrew saw Purcell's action as interference.

Government spokesman Jerry Romain said Andrew's appointment was revoked by Governor-General Sir Reginald Palmer acting on Brathwaite's advice. Grenadians were not surprised by the announcement. However, some observers were also expecting Attorney-General Francis Alexis to be fired because he had thrown his support behind Andrew in Parliament.

Dr. Alexis has some clout in the ruling party as one of its two deputy leaders. Observers said they were waiting to see what would be his response to Andrew's dismissal. But Alexis told CANA: "I have no comment on the subject except to say I have no plans to resign either from the government or the party. I believe it is time that the island settles down to work."

Well-placed sources said Brathwaite was deeply embarrassed by the incident in Parliament last week, at a time when the government's image appeared to be improving after the battering it took following the introduction of an austerity programme to improve the public finances. Andrew's dismissal was seen by some observers as strengthening Brathwaite's image.

"I see him as a different person," one senior government official told CANA. "He is finally emerging from his shell to become a politician although his stature would be elevated even more if he had also taken action against Alexis."

Referring to how he was being treated in cabinet, Andrew complained in Parliament last week that of the two sides, he felt more with the opposition than with the government which holds a 10-5 majority in the House of Representatives. It was unclear what would be Andrew's next move. He was unavailable for comment.

Andrew's removal is also seen by some observers as a victory for several cabinet ministers, including Purcell and Communications and Works Minister Phinsley St. Louis, two steady supporters of Brathwaite, who had decided to stay away from weekly cabinet meetings until Andrew was dealt with for his behaviour in Parliament.

A cabinet reshuffle, the third for the NDC government which took office in 1990, is now expected to allocate the ministries left vacant by the Andrew's dismissal.

Haiti

Senate Office Continues Divided 2 Mar

FL0203215793 Port-au-Prince Radio Metropole in French 1700 GMT 2 Mar 93

[Report by Ansy Rose Resignac—recorded; italicized passages in Creole]

[Excerpt] [Resignac] The situation is strained right now in the Senate of the Republic. The members of the Senate office, which now has had two branches for more than a month, are fighting for control of the Senate chamber. The senators from the two blocs are disputing and have even attempted to come to blows. We have just received the comments of Senator Clark Parent on this matter.

[Parent] *What is going on now, is that those gentlemen came this morning to use the office. They asked for a session in camera. It was a way to provoke violence. They came with clubs and weapons in order to harm us. We did not yield to the provocation. We left them to their confusion. Now they are meeting in camera. We are not going to meet with them. They are meeting to apply pressure. We will not give in to the pressure. We will let them meet by themselves.*

[Resignac] What do you ask to be done?

[Parent] *We know that the Senate is reduced to 17 members, the 17 senators who were elected on 16 December 1990 and 20 January 1991. We recognize them as senators. We ask that those senators who were elected on those dates to meet so we can find a solution to the crisis.*

[Resignac] It seems that the office led by Senator Firmin was in session. Why is it not here today?

[Parent] *Because, those gentlemen came and asked to meet in camera, they applied the same policy of [word indistinct] so to cause violence. We did not respond to their violent provocation. The struggle will continue. We are not giving up. However, we will not let them lead us toward violence. We do not want to enter that arena.* [passage omitted]

Panpra Socialist Officials Disagree With Party Line

FL0203212893 Port-au-Prince Radio Metropole in French 1700 GMT 2 Mar 93

[Text] There is turmoil within the Nationalistic Progressive and Revolutionary Party of Haiti (Panpra). Seventeen Haitian socialist officials have expressed their dissatisfaction and disagreement with the line followed by their party Panpra, which has several members in the government of Prime Minister Marc Bazin. In a memorandum, those officials demand as soon as possible an internal, impartial, without empathy debate on the policy followed by the party for one year. This document was sent to Panpra official Serge Gilles whose reelection in the partial legislative elections on 18 January has been questioned by the international community and is not recognized by the opposition in parliament.

Guatemala

Peace Conciliator on URNG, Government Dialogue

PA0203195893 Guatemala City PRENSA LIBRE in Spanish 28 Feb 93 p 8

[Text] Monsignor Rodolfo Quezada refrained from disclosing details of the talks but praised the goodwill shown by government and Guatemalan National Revolutionary Unity [URNG] delegates.

He added that "for the first time" both sides agreed that the peace process "should not go on indefinitely." Quezada said "something positive developed" from the dialogue, which was scheduled as a way to initiate the negotiations for reordering the talks to expedite the peace process. Both parties agreed to cover three substantive issues (those related to the causes of the conflict), as well as one operative issue (related to initiatives leading to an end to the internal armed conflict).

While the guerrillas waited for a government reply to their proposal on globalizing the negotiation agenda, Francisco Villagran, a member of the URNG political-diplomatic team, said that the proposal is aimed at expediting the negotiations without modifying the topics agreed upon by both sides in April 1991. According to Villagran, "it includes not only the cease-fire issue but all other topics included on the agenda."

With respect to President Serrano Elias' peace proposal to sign a peace agreement in a 90-day period, Villagran reiterated the URNG's position that "the conflict must end soon but not in an ambiguous or nonproductive manner."

Commenting on the same issue, Quezada said that "time periods are difficult to establish since the issues to be discussed are too complex."

"The meeting accomplished some very significant steps, such as the discussions surrounding certain initiatives and proposals, as well as the presentation of documents related to expediting the negotiation process," Quezada said.

The Stumbling Block

In answering questions on whether negotiators had dealt with human rights issues, Quezada clarified that "discussions have not centered as much on human rights issues as they have on creating a general overview and attempting to establish a path toward a solution."

According to statements made in Mexico by the Catholic Church official and disclosed in Guatemala by the news agencies, Quezada favored suspending the peace talks to give the sides time to study the proposals and plan appropriate procedures to "avoid creating contradictions to the 1991 agreements (that promoted direct meetings) as well as to evaluate President Serrano's cease-fire proposal and the URNG's international verification proposals".

Summary of the Talks

Monday, 22 February: When the Peace Commission departed for Mexico, Commission President Manuel Conde announced the government's decision to accept UN verification of he peace agreement. That announcement apparently contradicted statements by President Serrano, who on that same day expressed his unwillingness to allow any alteration to the previous agreement.

Upon arriving at Mexico's airport, Peace Commission President Manuel Conde said that "the peace talks delegation representing the Government of the Republic is participating in this dialogue with the best intentions, with the clear objective of finding a solution and to outline discussions in the spirit of the Mexico agreement. At any rate, the government delegation brought President Jorge Serrano's proposal."

Tuesday, 23 February: Both parties in the dialogue acknowledged having established "contacts" to outline an agenda, but they clarified that they are still far from an agreement that will end the 30-year internal conflict.

URNG member Rolando Moran, while speaking to reporters at the hotel where the talks were taking place, warned that "the deteriorating human rights situation continues to be the central point of our position."

Conde also agreed that during the preliminary meetings he had detected a "greater level of contact than in previous meetings." He added that "nevertheless, the agenda is still waiting to be outlined."

Wednesday, 24 February: According to press reports, the day concluded without both parties agreeing on the agenda."

Thursday, 25 February: Peace conciliator Rodolfo Quezada announced that Mexico and a European country (possibly Spain or Norway) will act as witnesses during future peace talk negotiations and will oversee the compliance with the agenda. Plans for outlining an agenda had not previously been announced.

Friday, 26 February: After four days of talks, both parties issued a joint communique stating that the talks would resume in Mexico on 10 March.

According to peace conciliator Quezada, the negotiations are proceeding at "a firm, secure pace" that will bring peace to the Guatemalan people.

Officials React to Mexican Arsenal Explosion

Defense Minister Comments

PA0203163593 Guatemala City SIGLO VEINTIUNO in Spanish 27 Feb 93 p 3

[Text] Defense Minister General Domingo Garcia Samayoa described as timely the reported explosion at a Puebla, Mexico, arsenal and the capture of four Guatemalan National Revolutionary Unity members.

According to the minister, the incident clearly revealed the insurgents' mind set, which has been marked by violence, destruction, harassment, insults, assault, and disinformation.

"They have always accused us of stockpiling arms, which is not true. The Army seeks peace because this is our commitment to the people," he said.

Garcia expressed concern over the type of arms seized by Mexican authorities, particularly 81 mm mortar shells, which can reach a distance of up to 5 km and be lethal within a 200-meter radius.

Asked about the probable number of armed insurgents throughout the national territory, the minister said it is difficult to give an accurate estimate because of desertions. He estimated the number of guerrillas in Peten, Quiche, and Huehuetenango to be between 850 and 900.

The Mexican ambassador to Guatemala City reported that the Attorney General's Office is conducting a thorough investigation of the incident. Legal action has been taken against the two [as received] detained Guatemalans. Legal action will also be taken against anyone else found to be involved in the incident.

The ambassador added that Mexico has not and will not allow Mexican territory to be used for any illegal arms trade or for stockpiling arms.

"These activities constitute serious breeches of Mexican laws. The laws will be enforced rigorously," he said.

He stated that he will report on the official investigation as soon as he has the information.

Foreign Minister Comments

PA0203042593 Guatemala City Teleonce Television in Spanish 1800 GMT 1 Mar 93

[Text] Guatemalan Foreign Minister Gonzalo Menendez Park has said he is certain that the Mexican Government does not endorse the use of Mexican territory for activities geared toward favoring subversive activities in Guatemala. The foreign minister said this when he was questioned by reporters on the finding of a weapons cache that, according to media reports, was used to supply the Guatemalan National Revolutionary Unity [URNG], from Puebla, Mexico. The cache, which included weapons of considerable power, was located during the week of 22 February in a Huascan [as heard] neighborhood after an explosion was set off accidently.

Menendez said today that a legal process against the four people who were arrested as a result of the incident is in the hands of Mexican authorities. Here is what Menendez said:

[Begin recording] [Mendez] Unfortunately, those Guatemalans that we mentioned have abused the [words indistinct] in Mexican territory. They will be judged by Mexican law. We have been advised that the Mexican Prosecutor's Office will keep these people under arrest and they will be brought to trial for crimes committed on Mexican territory. We believe that is the process that will be followed.

[Unidentified reporter] How many people were involved?

[Menendez] There are four people involved. These people were in possession of several types of weapons; some were heavy weapons. They were also in possession of documents that linked them to the URNG. [words indistinct] people who were used to supply heavy weapons to the URNG for their activities on Guatemalan territory.

[Reporter] [words indistinct] to bring in those weapons [words indistinct]?

[Menendez] That is not.... [pauses] The weapons were confiscated by the Mexican authorities in Puebla. Those are crimes committed on Mexican territory; therefore the case against these people is under Mexican jurisdiction.

[Reporter] [words indistinct] coordinate with Mexican authorities to [words indistinct]?

[Menendez] We are certain that the Mexican Government is very concerned about this situation and we are certain that the Mexican Government will not accept this situation under any circumstance, nor will it sponsor this. The Mexican Government is a friend of the Guatemalan Government; therefore it is concerned that its territory is being used for these activities. [end recording]

Honduras

President, Officials View Crime Commission

PA0203181693 Tegucigalpa Voz de Honduras Network in Spanish 0145 GMT 2 Mar 93

[News conference by President Rafael Leonardo Callejas Romero; Congress President Rodolfo Irias Navas; Supreme Court President Orlando Lozano Martinez; Division General Luis Alonso Discua Elvir, Armed Forces commander general; Lawyer Carlos Roberto Reina, Liberal Party presidential candidate; Lawyer Oswaldo Ramos Soto, Callejas National Recovery

Movement presidential candidate; Olman Valladares, Social Democratic Innovation and Unity Party presidential candidate; Herzog Dimas Tabora, board president of the Honduran Christian Democratic Par[illegible]d media representatives Jaime Rosenthal Oliva and Rafael Ferrari, Tegucigalpa EL HERALDO chairman, with unidentified reporters at the Presidential House in Tegucigalpa—live]

[Excerpts] [Reporter] Mr. Armed Forces Commander, as these recommendations will be issued within 30 days, what steps will be taken in the interim to control the crime wave sweeping the country? Will the military presence with armored vehicles and so forth be maintained in Tegucigalpa and San Pedro Sula?

[Discua] I want to thank the [words indistinct] and the Honduran people in general for this opportunity to express the Armed Forces concern. The crime repression measures taken until now will remain unchanged. The work of the commission that has just been appointed will yield very good results. The Armed Forces will always support measures that benefit the Honduran people. Normal Army patrols will continue without the equipment deployment, which has been the case so far, in the two main cities of San Pedro Sula and Tegucigalpa. Patrols to support the police will continue without the current equipment deployment. Thank you.

[Reporter] Why were the worker and peasant representations not taken into account? Will this commission have decisionmaking powers or will it simply make recommendations?

[Callejas] Many of the concerns addressed in this document also include concerns of Honduran peasants, workers, and businessmen. We feel, however, that this great effort for a concerted agreement demanded a decision among the country's various political sectors because the commission has implications of an institutional nature. Each political party represents thousands of fellow Hondurans, peasants, workers, and businessmen. We admit that those sectors need to have greater participation, but right now the people who represent these institutions have the credibility, confidence, and capacity to address the subjects defined in this agreement. The commission does not have independent executive power. In other words, the decisions made must pass through various government organizations according to what institution assumes the responsibility. The commission's composition ensures that the recommendations made therein will become a reality. All government branches have made that commitment. Commission members have the ability to follow up and demand compliance. In strictly formal terms, the commission does not have the power to execute, but in real terms it has the authority to demand compliance with its recommendations. [passage omitted]

[Reporter] Gentlemen from the Armed Forces, in addition to what you are saying about the Department of National Investigation, it is important to explain to the Honduran people exactly whom the tanks in San Pedro Sula and Tegucigalpa have been positioned against. Some have said they are there to check violence, but it is also rumored that there was a coup attempt against you and that civilian power is being threatened. I would like for you to clear this up for us. One other thing: I did not hear the word investigation when the president read the document. How will the commission members be able to investigate officers involved in criminal activities? The past cannot be erased. Violence is sometimes sired in the very core of the Armed Forces.

[Callejas] People speculate because that is what they want to do. The order to have the Army help the Public Security Force [Fusep] came from the Presidency. That has been duly explained, but apparently everyone did not hear it. General Discua has already explained that operations will continue, but this time without the mobilization of equipment, a mobilization that took place on request from the Presidency in response to the people's demand for security measures.

We admit that my order, which was followed by the Honduran Armed Forces, has probably created some situations, but the actions taken were completely explained on the morning of the day when the operation was carried out. I told the media then that the Army mobilization was a result of orders issued by the Presidency. [passage omitted]

[Reporter] Gentlemen from the Honduran Armed Forces, President Callejas has already explained certain matters regarding violence. This commission has been formed specifically because of the continuing crime wave in San Pedro Sula. Since former agent Jose Zuniga filed charges, you have kept silent. That has produced something of a quandary, and it would be good if the Honduran people could hear you personally explain the position of the Armed Forces, considering that certain sectors have gone as far as to speak of a barracks coup. It would be good to hear your opinion to vanquish the quandary that this news conference has been unable to eliminate.

[Discua] I can tell you that from the moment I took command of the Armed Forces, I have tried to maintain unity and clear leadership concepts in the Armed Forces. Usually dissenting voices contribute to my consolidation as Armed Forces commander. Regarding events in San Pedro Sula and statements by certain people, the situations are being handled by the proper courts, which will rule on those matters.

My silence has been criticized, but I wanted to have the facts before addressing the Honduran people, which is why I am doing this today. This is my answer to the situation. Thank you. [passage omitted]

[Reporter] The people in the countryside are nervous. They and the media are looking for an answer to the situation. Over the 27 February weekend we visited La Paz Military Training Center, where the officers of the Police Investigations Department of Tegucigalpa and

San Pedro Sula met. The policemen trained in peacekeeping and their instructors are very concerned and unable to find a satisfactory solution. They wonder why the investigations police get permanent, full-time training in a way that varies from the norm. This question is addressed to Rodolfo Irias Navas, president of the Congress. How far can this situation go? What can be done to create a fund to help these people? My second question is addressed to Gen. Luis Alonso Discua. General, the people in the countryside are confused. Why have troops been deployed, allegedly for security reasons, in San Pedro Sula and Tegucigalpa when everything is quiet in the countryside?

[Irias] At the Congress, we heard the Fusep tell the Honduran people about the serious problems the police experienced because of their low salaries. The people are well aware of this problem, and we know the financial aspect is fundamental at present, not only for the police but for most public workers. We are aware of this problem. The document we signed today and which the president of the Republic read for the Honduran people is clear and complete. We are determined to find ways to improve not only policemen's training but also their salaries. I am sure the ad hoc commission whose members were appointed today will shed additional light on the matter so we can have a better police force in the near future.

[Discua] As I said before, the Army will continue to support the Fusep to curb crime. Usually the most notable incidents take place in the largest cities, San Pedro Sula and Tegucigalpa in this particular instance.

The order has been given and it is clear. The Army must at all times support and carry out control and security operations throughout the country.

Before ending my speech, I want—even if this is beside the point—to call on the people to support the Army in confronting a problem, a crime that is being committed at this moment. I am talking about the destruction of the forests. Help the Army, because we want to do everything possible to avoid this problem as it also generates violence. Thank you very much.

[Callejas] As a Honduran, as a citizen of this, my beloved fatherland, I want to thank the candidates from the various political parties; Carlos Roberto Reina, Attorney Jose Osvaldo Ramos Soto, Olman Valladares, and Nelson Tabora of the Christian Democracy, and the media, represented by the Media Owners Association, for this extraordinary effort that has allowed us to reach this concerted effort. I especially want to thank the top military hierarchy, including Gen. Luis Alonso Discua Elvir, who has been able to recognize Honduran society's desire to transform, modify, and adapt its security institutions to guarantee better living conditions for Hondurans. This is a very significant step, and I would like the whole nation to be aware of it.

As president of the Republic, I will act in accordance with the results produced by this commission, take the pertinent measures, and ask the other state branches to act together in the search for harmony among our countrymen.

This is undoubtedly a historic step, and its importance will have favorable repercussions in our lives and the lives of future generations. Therefore, I call on everyone to support this commission in gathering, analyzing, and proposing initiatives in the nation's best interest.

I would also add a very special word for Monsignor Oscar Andres Rodriguez, with whom I spoke over the telephone for some time and explained what we were discussing and analyzing to reach a concerted agreement. He responded by saying: I am here to serve the Honduran people, and wherever the Honduran people say I should be, there I shall go.

Today Msgr. Oscar Rodriguez has a very clear call from all us Hondurans who want him to lead this commission in the real search for the objectives we pursue to guarantee, as established in the Constitution of the Republic, all Hondurans' right to live in peace, liberty, and respect.

That is what we are doing today, and I am sure we will meet again within a month to hear the answers and initiatives proposed by this commission. We will then undertake the first actions that may reflect the will we all have to correct, modify, and act in accordance with the highest interests of our countrymen.

I thank the media and everyone present for your clear participation. I am sure we can say that today we are on a sound path toward attaining Honduras best interests. Thank you. [applause] [passage omitted]

Judge Jails Regional Narcotics Office Chief

PA0203222393 Tegucigalpa EL HERALDO in Spanish 2 Mar 93 p 4

[Report by EL HERALDO editor Hector Rodolfo Montoya]

[Text] San Pedro Sula— First Criminal Court Judge Aida Colindres sent Captain Luis Mendieta, regional chief of the Narcotics Department of the Department of National Investigation [DIN], to prison on the afternoon of 1 March. Mendieta has been accused by Josue Eli Zuniga Martinez, a former DIN agent, of being involved in several crimes.

In an unusual move, the officer was sent to the 105th Infantry Brigade, not to prison where prisoners are usually sent for the questioning period established by law.

Zuniga, who is under the protection of Judge Colindres and Human Rights Commissioner Leo Valladares, accused Mendieta of being the mastermind behind the May 1992 killing of DIN agents Elpidio Fulgencio Martinez and Misael Ramos Martinez over some drug problem. According to Zuniga, the agents were killed by

a DIN agent identified as "El Renco" Cerrato and by another agent whose last name is Carrillo.

Zuniga has also accused Mendieta of involvement in drug-trafficking activities.

At 1100 on 1 March, Capt. Mendieta was put at the disposal of the first criminal court judge, who opened the case because of the death of the two DIN agents.

Before Mendieta had been placed at the judge's disposal, several DIN agents had appeared "to safeguard the officer's security," it has been reported.

Mendieta arrived at the court in the company of regional police commander Colonel Arnoldo Cabrera, regional DIN delegate Major Victor Manuel Bueso, and Public Security Force spokesman Capt. Cesar Augusto Somoza and was guarded by more than 10 DIN agents.

Before entering the judge's office, Mendieta curtly informed reporters: "I have nothing to fear."

When asked if it is true that several San Pedro Sula nightclubs pay him large amounts of money so they can sell drugs unimpeded by the police as Zuniga has charged, Mendieta asked reporters to let him enter the judge's office and contended: "All that is untrue."

When asked if it is true that he ordered the death of two former DIN agents, he reiterated: "All that is false." He then entered the judge's office guarded by DIN agents, who remained outside while he was being questioned.

Mendieta entered Judge Colindres office a few minutes after 1100. The inquiry lasted until 1530.

Col. Cabrera, Capt. Somoza, and Maj. Bueso remained outside the courtroom door the duration of the inquiry.

Following the inquiry, the officer was taken to the office that serves as a liaison between the judicial branch and the Police Department. The accused was there presented to the media.

When reporters approached him, a nervous, pale, and visibly tired Mendieta said: "The truth is that I cannot tell you what you expect to hear. Remember that this is a very delicate situation, and what I had to say I have said to the judge. Any further information will have to come later. Right now I cannot say anymore."

When asked if the judge had found reason to send him to prison for a six-day period as the law establishes, Mendieta said: "I cannot say anything about that."

When asked if he is free or a prisoner, he said: "Look, I can say nothing right now."

Because Mendieta would not respond, Col. Cabrera explained that the judge had given him an envelope with a document for 105th Brigade Commander Col. Jose Martinez Amador ordering that Captain Mendieta be held there for the six days that the law establishes as the period for questioning accused persons.

When asked why Mendieta was not sent to prison like other accused people, Cabrera explained: "I do not know. It was the judge's decision, and I respect it. If you have any question about this you should address it to the judge."

Nicaragua

Cosep Urges Government To Respect Majority Will

PA0203161193 Managua LA PRENSA in Spanish 27 Feb 93 p 10

[Paid advertisement issued by the Higher Council of Private Enterprise in Managua on 25 February]

[Text] On the anniversary of the elections in which the National Opposition Union dealt a crushing defeat to the Sandinist dictatorship and brought Violeta Chamorro to the Presidency of the Republic, the Higher Council of Private Enterprise, Cosep, wishes to salute her respectfully and does not want to let this anniversary pass without fulfilling its obligation to point out relevant aspects of her administration:

It is true that:

—Impressive progress has been achieved in stabilizing the currency and halting inflation.
—There has been significant progress in bringing fiscal order and in reducing the size of the government and Army.
—Freedom of speech and assembly has strongly taken root.
—The shameful military service was eliminated.
—Much progress has been made in freeing education from the Sandinist straitjacket.

Cosep, however, is alarmed because the government has failed noticeably in the most important task assigned to it by a majority of voters.

The government, acting alone, has stubbornly promoted the wrong policy of reaching understandings with the Sandinists that have undermined investments and production and brought us to the brink of socioeconomic collapse.

Cosep urges the president to reflect upon her direct or delegated actions and to comply with the will of the majority by changing course to improve our country's image at home and abroad.

Cosep demands that the government:

—Make efforts to settle the problem that it caused at the National Assembly.
—Exercise the initiative to which it is entitled without delay to ensure that the Supreme Court of Justice becomes a body that is sovereign and independent from political parties.

—Exercise the right to which it is entitled, but which it has refused to use, to establish definitively clear limits on the authority and permanence of General Humberto Ortega as Army chief.
—Reorganize its cabinet to ensure it does not reflect a marked preference for Sandinist officers.
—Stop handing out property that belongs to all Nicaraguans to pressure groups and stop blessing and protecting the shameful pinata of Sandinist elements.

Cosep demands that these actions be implemented immediately as a first step to allow the Chamorro administration to show its willingness to change its attitude and take the path for which a majority of the people voted.

Cosep maintains that should those actions not be taken, there will be neither progress, investment, nor production due to the distrust the government has created by selling out and submitting to the losing party to the voters' detriment.

Cosep reaffirms its strong determination to contribute to the economic development as long as it is allowed to conduct its activities in an appropriate environment.

[Issued] Managua, 25 February 1993.
[Signed] Higher Council of Private Enterprise.

Panama

Kidnappers, New Tribes Church Reportedly in Contact

PA0203220693 Panama City LA PRENSA in Spanish 2 Mar 93 p 2a

[Report by Vilma E. Figueroa B.]

[Text] Government Minister Juan Chevalier disclosed that the three New Tribes missionaries who were kidnapped in the Darien jungle on 31 January by alleged Colombian guerrillas have maintained radio communication with members of their church.

David Mancken, Richard Tenenoff, and Mark Rich were kidnapped in Darien. After the Panamanian Government learned of their plight, it sent a special reaction group made up of approximately 200 men. The men were ordered back after several days of fruitless searches.

Chevalier explained that the problem is being handled by members of the New Tribes Church, of which the missionaries are members, in view of the fact that negotiations with the kidnappers are extremely delicate.

In the minister's opinion, caution is needed when dealing with the affair because if the kidnappers feel the authorities are near, negotiations could break down, thus endangering the lives of the kidnapped missionaries.

He added that Panamanian authorities are following the negotiations but are taking no part in them. The minister said the New Tribes Church brought in an expert to handle the negotiations and rescue the missionaries.

Chevalier said the missionaries have made radio contact because the kidnappers took the missionaries' radio transceiver equipment when they abducted them.

He said the missionaries and kidnappers have maintained contact with the New Tribes headquarters in Chame District, Panama Province, which is 72 km from Panama City.

Regarding the military presence in the Darien area, Chevalier said normal surveillance is maintained and an aerial patrol has been added.

Comptroller General, Fenasep on Wage Freeze

PA0203221793 Panama City Telemetro Television Network in Spanish 1730 GMT 2 Mar 93

[Text] The comptroller general supports the president's decision to freeze public employee salaries but the National Federation of Associations of Public Employees [Fenasep] has stated its categorical rejection of the measure.

In light of President Guillermo Endara's announcement regarding the suspension of all salary increases for public employees, Fenasep leadership rejected the president's decision.

[Begin recording, Fenasep leader Xiomara Ambulo] We believe the president should stop paying a foreign debt that is impossible to pay and not worsen the Panamanian people's hunger and misery. That is what we think of the president's statements.

We do not agree with workers receiving a minimum salary of $200 per month, and I challenge the president of the Republic—instead of making that statement to the Panamanian people—to say that he will reduce the salaries of those officials who earn.... [pauses] Some directors here make $1,900 per month. The salaries of some directors or ministers are not justifiable. [end recording]

Comptroller General Ruben Dario Carles stated that the president's decision is appropriate and must be carried out.

[Begin recording] [Carles] I believe that it must be done. The president has the last word in any democratic system; therefore, that order must be obeyed.

This country cannot continue to increase salaries because we would have to increase taxes or impose new taxes. Would you like new taxes? Do you agree with a tax increase?

[Unidentified reporter] Could this measure be a result of a political commitment?

[Carles] Would increasing salaries be a political commitment?

I believe that, more than politics, this is a matter of possibilities. We must be patient. Countries cannot increase salaries just for the sake of increasing salaries, because salaries must be paid. [end recording]

Government Signs Documents on Foreign Debts

PA0203221493 Panama City Radio KW Continente in Spanish 1200 GMT 2 Mar 93

[Report by Roberto Rolando Rodriguez]

[Text] Under pressure from banks holding Panamanian securities [bonos] listed on the Japanese stock market, the Panamanian Government was obliged to sign three foreign-debt related documents in Miami to avoid having the financial institutions take legal action in London, Tokyo, and New York.

President Guillermo Endara Galimany's administration signed three documents relating to the Panamanian foreign debt on 29 January in Miami. The first document concerns debt to commercial banks. The second dealt with extending the due date of securities [word indistinct] totaling $256 million. The last document is related to floating interest notes.

Deputy Comptroller General Jose de los Santos Chen Barria explains what happened in Miami on 29 January.

[Begin recording] [Chen] Last week the cabinet agreed to issue the documents, which were signed on 29 January in Miami, with representatives of the Panamanian lawyers, the Panamanian ambassador in Washington, and members of the Banking Committee in attendance.

A document was also signed for certain floating rate notes [previous three words in English], which had also been issued by the previous administration and which were coming due under British law.

In sum, three documents were issued: one signed in December on the debt that was coming due under New York State law, another under Japanese law, and another under British law.

[Rodriguez] Mr. Comptroller [title as heard], how much money is involved?

[Chen] The total amount of securities issued by the Republic of Panama and listed on the Japanese stock market is approximately $256 million.

[Rodriguez] Mr. Comptroller, what would happen if Panama failed to meet its commitment to pay that debt?

[Chen] If the Republic of Panama had failed to comply by issuing the documents, it would have been subject to a number of legal actions by the banks holding those securities and to a number of court trials to enforce payment, which would have created a very poor image for the Republic internationally. I should also say that the Republic of Panama is one of the few republics in the world that have defaulted on securities listed on the Japanese stock market. [end recording]

Thus the Guillermo Endara administration, under pressure from banks holding securities and other creditor banks, signed three documents concerning payment of Panama's foreign debt.

Mutual Legal Assistance Treaty Signed With UK

PA0203212793 Panama City LA PRENSA in Spanish 2 Mar 93 p 3A

[Report by Manuel Alvarez Cedeno]

[Text] Panama and the UK signed a Mutual Legal Assistance Treaty (MLAT) on 1 March to combat drug trafficking. On the occasion, Deputy Foreign Minister Jose Mulino said the United States "is in debt to us" in the drug war because it has not ratified a similar agreement reached in 1991.

The MLAT with the UK was signed in Panama City on 1 March by Mulino and UK Ambassador Thomas Malcomson [name and title as published].

The purpose of the pact is to intensify cooperation in the struggle against drug trafficking through assistance in investigations and judicial procedures.

Mulino described the agreement as very important, while Malcomson said it will make it possible to bring drug dealers to trial.

"This agreement will increase cooperation between the UK and Panama by permitting joint actions in investigating drug trafficking, bringing traffickers to trial, and confiscating the often enormous proceeds of drug trafficking, according to an official press release issued by the UK Embassy.

According to official reports, the UK Parliament will subscribe to the agreement within six months, while the Panamanian cabinet will consider it this week and send it to the Legislative Assembly.

In April 1991, Panama signed an MLAT with the United States that has not yet been ratified by the U.S. Senate. Panama plans to sign similar agreements with Mexico, Colombia, and the Central American countries.

The Panamanian Legislative Assembly ratified the MLAT, but the U.S. Senate did not, which has led to some concern in Panamanian official circles.

On the subject, Mulino said: "The United States is in debt to Panama for having failed to ratify the MLAT."

U.S. Ambassador Deane Hinton said last week that the MLAT might be ratified this year.

Argentina

Two Iraqi Kurds Request Political Asylum in Rosario

PY0203143693 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 1 Mar 93

[Text] Rosario—Two Kurds requested political asylum in Rosario. They had hidden in the hold of a Cypriot-flagged merchant ship that docked in the city of San Lorenzo. The two Iraqi Kurds requested political asylum immediately after arriving in Argentina. The ship, with a Filipino crew and Greek captain, departed the port of Bandar-e 'Abbas, in Iran, on 23 January. The stowaways who landed in Rosario are veterans of the Persian Gulf war and left their country to escape Saddam Husayn's persecution against the suffering Kurdish minority.

Menem Denies Disagreement With Governor Duhalde

PY0203225193 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 2 Mar 93

[Telephone interview with President Carlos Menem by Pedro Olgo Ochoa during a regular newscast; live or recorded]

[Excerpts] [Ochoa] Good morning Mr. President. This is Pedro Olgo Ochoa speaking, how are you?

[Menem] Very well, thank you, Pedro.

[Ochoa] I have been reading comments in the newspapers about disagreements between you and Buenos Aires Provincial Governor Eduardo Duhalde?

[Menem] I do not know where this report came from. It does not make sense. It is completely crazy. I have excellent relations with Eduardo. Every one knows our relations are first class. A few days ago, before travelling to Madrid, I talked with Mrs. Isabel Peron about the fact that there have always been disagreements between Argentine presidents and Buenos Aires Province governors. We recalled the case of General Peron and Mercante, the disagreement between Mrs. Peron and...

[Ochoa, interrupting] Victorio Calabro.

[Menem] Yes. We also noted disagreements between other presidents and other Buenos Aires Province governors and commented on the really exceptional relations that have existed for a long time between Duhalde and I. So, I do not know where the news came from. [passage omitted]

[Ochoa] Mr. President, what about the constitutional reform? Some smart people, as you call them, are proposing changes in the dogmatic principals of the Constitution, the part concerning the freedoms and guarantees of individuals.

[Menem] That is absurd. I call them smart people because by making this type of proposal they seek to antagonize those sectors which support a constitutional reform, but which oppose amendments to its dogmatic principles. I fully endorse the position of those sectors that are entirely against amending the dogmatic principles; that is, the part concerning the rights, duties, and guarantees of individuals in the Republic of Argentina. We do seek to amend, however, some constitutional mechanisms. They include, for example, an old claim of the Radicals—who apparently want to implement this amendment by law, a procedure that is unacceptable. They want the mayor of the capital city elected by direct elections. This cannot be implemented through a law, only through a constitutional reform. The election of the president of the Republic by an electoral college is totally unacceptable. The president must be elected through a direct vote. I believe senators must also be elected directly by the people. [passage omitted]

CNEA To Reorganize; Privatization Plans Studied

PY0303013493 Buenos Aires PAGINA/12 in Spanish 20 Feb 93 p 7

[Article by Cledis Candelaresi]

[Text] Although a few months ago [Economy Minister] Domingo Cavallo and Manuel Mondino, National Commission for Atomic Energy [CNEA] president, promised in Europe to incorporate private capital into the CNEA, the Economy Ministry is still reviewing the decision. It is quite certain, however, that the National Treasury may stop contributing to nuclear energy production, which is one of the CNEA activities, although the government will supply the $700 million that will cost to finish Antucha-2.

Energy Secretary Carlos Bastos told PAGINA/12: "Privatization is not the solution to all problems. We must find out whether it is suitable for the government either to abandon this sort of activity or to merely reduce its participation in it. Before anything else, however, we must have a law regulating this activity." It has been firmly decided that the CNEA will be split into several corporations for the various areas in which it acts (electricity generation, fuel production, radioisotopes, and so forth). Although this is normally the first step taken before a bidding, the Energy Secretariat has explained that this time it has another objective: to carefully analyze the accounts, in order to learn exactly where the money it contributes goes to. Only after this analysis will the secretariat decide which activities it will continue to finance, and which it will subsidize.

In addition to clearing up the accounts, Bastos has no doubt whatsoever about the need for the state to withdraw from the nuclear energy field, as it has been doing with other energy companies—concessions have been awarded to contractors to manage SEGBA [Greater Buenos Aires Electrical Services] power plants. The same procedure will be applied to Hidronor [North Patagonia Hydroelectric Company] and to the State Water and Power Enterprise power plants—because European

countries prefer that "the risk markets" carry out these activities. The possible concessionaires will, however, reportedly run no risks, as the operational costs of the power plants is too low, and if they are privatized the revenues will increase by 80 million pesos per year, depending on the way the entrepreneur collects for the energy.

In mid-1992, Cavallo said in Europe that the Atucha-1 and Embalse nuclear plants were about to be awarded to contractors to finance the final construction of Atucha-2. Mondino then reported to businessmen from Frankfurt on a more ambitious plan which included the investment of private capital in other areas of CNEA. According to this program the nuclear plants will become mixed companies, and the profits of the private partners could be aimed at building a new nuclear plant, or at paying the others' debts. But the Economy Ministry has decided to tread with caution, and will probably retrace its steps.

Brazil

President Suspends Appointments of Bank Officials

PY0203235393 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 2 Mar 93

[Text] President Itamar Franco today decided to temporarily suspend the designations of the new directors of the Central Bank [BC] and of the Bank of Brazil. The president's decision complies with a request made by new Finance Minister Eliseu Rezende. It was precisely because of these appointments that former minister Paulo Haddad submitted his resignation. The president had appointed Deputy Paes de Andrade as new director of the BC Rural Loan Department and former Rio Grande do Sul Governor Sinval Guazelli as director of the General Credit Department. Antonio Lopes de Sa was appointed as BC administrative director, Helio Ribeiro de Oliveira as the BC director for rules and programs, Luiz Fernando Vitor as director of the BC Auditing Department, and Jose Roberto Novaes de Almeida as director of the BC Foreign Department.

President Franco had also intended to retain Joao Eraldo Lima, current director of monetary policy, but early this morning Lima informed the president that he was not willing to remain in his post.

The new finance minister wants to make the new official bank board of directors appointments compatible with the establishment of his working team.

Argentine Petroleum To Replace Iranian Supply

PY0303030693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 2 Mar 93

[Text] Brazil and Argentina today signed a contract for the purchase of petroleum. Brazilian negotiations were conducted by Petrobras [Brazilian Petroleum Corporation].

The contract was signed today at the Petrobras office in downtown Rio de Janeiro, and it refers to the purchase by Brazil of between 25,000 and 30,000 barrels daily of petroleum from Argentina. This is the first contract signed formally by the two countries, involving initially some $200 million, as a result of the negotiations carried out over the past few months.

Present at the signing ceremony were Brazilian and Argentine Foreign Ministers Fernando Henrique Cardoso and Guido Di Tella, respectively, Petrobras President Joel Mendes Renno, and YPF—Argentine Government Oil Deposits—President Jose Alberto Estenssoro.

With the signing of this contract Brazil intends to reduce its petroleum purchases from Iran, which today amount to 120,000 barrels daily with no commercial compensation on the part of Iran.

The Brazilian foreign minister believes the contract can be turned into broader commercial relations among Latin American nations.

Chile

Argentina Presents Award to General Pinochet

PY0203144393 Madrid EFE in Spanish 1939 GMT 27 Feb 93

[Excerpts] Santiago, 27 Feb (EFE)—QUE PASA magazine reported today that the Argentine Government views the Army decoration granted to Chilean General Augusto Pinochet as a response to the decoration Pinochet bestowed upon former Argentine President Raul Alfonsin.

In an article entitled "The Medals War" the conservative magazine states: "The award granted to Gen. Pinochet by the Argentine Government is probably Menem's response to Aylwin for decorating his main political enemy: Alfonsin."

In a ceremony held at the Argentine Embassy in Santiago on 11 February, Gen. Pinochet—Chilean Army commander in chief—received the award from Argentine Army Commander in Chief Martin Balza. [passage omitted]

The award the former Argentine president received at the Chilean Embassy in Buenos Aires on 9 December was thanks for Alfonsin's support of the Chilean opposition during the almost 17 years of Pinochet's regime.

QUE PASA reported that Chilean political circles have commented that "in an informal note, the Carlos Menem administration expressed to its Chilean counterpart its dissatisfaction over the decision to award Alfonsin such an important award," but this has been denied by the Argentine Embassy in Santiago. [passage omitted]

Carabinero Injured by 'Extremists' in Santiago

PY0203182893 Santiago Radio Chilena Network in Spanish 1600 GMT 2 Mar 93

[Report by Williams Rebolledo from mobile unit]

[Text] Carabinero Luis Marin Garcia is now undergoing surgery at the Carabineros Hospital. He suffered serious head injuries after alleged extremists shot him during a vehicle check. Three individuals riding a Datsun pick up truck with license plates GL- 5444 shot the Carabinero at point-blank range. Marin Garcia was taken to the Carabineros Hospital aboard a police helicopter.

The pickup truck was later found abandoned at the intersection of Alcalde Prieto and Subercasseaux Streets in Pirque District. Three long-barrel shotguns were discovered in the pickup. The subversive criminals wielded these weapons during the attack.

A thorough operation is now underway in Pirque District to detain those responsible.

Government, EEC Reach Agreement on Apple Quota

PY0203190693 Santiago Radio Chilena Network in Spanish 1600 GMT 2 Mar 93

[Report by Carlos Humberto Silva from the Economy Ministry]

[Excerpt] The problem of fruit exports has been officially overcome through a complete agreement between the Chilean Government and the EEC.

Exporters may ship 203,000 tonnes—not a maximum of 186,000 tonnes as unofficially reported—to that market. This information was supplied this morning by acting Agriculture Minister Maximiliano Cox. He said:

[Begin recording] The EEC has officially informed the Chilean ambassador to the EEC that the EEC accepted the figure presented by Chile, namely 203,000 tonnes. This then becomes the basic figure for the new system of previous licenses [licencias previas] monitored by people [words indistinct]. [end recording]

Cox stressed that a substantial improvement has been achieved, adding that the government will remain alert to a possible imposition of quotas. [passage omitted]

Colombia

Education, Agriculture Ministers Resign

PA0303022893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Mar 93

[Report by Azucena Lievano]

[Text] Education Minister Carlos Holmes Trujillo and Agriculture Minister Alfonso Lopez Caballero resigned before President Cesar Gaviria on the afternoon of 2 March. This is the start of the wave of resignations of those who intend to run for public office.

It is quite certain that Holmes' replacement at the Education Ministry will be Rodolfo Gonzalez Garcia, who was initially promised the Agriculture Ministry by President Cesar Gaviria. Alejandro Linares could replace Lopez Caballero at the Agriculture Ministry. Linares is President Gaviria's social policy adviser.

Holmes explained the reasons for his resignation.

[Begin Holmes recording] The reason for the resignation is to take a few days to rest, analyze the political situation, and make a decision on my future, but what is certain is that I want to contribute to the candidacy of Ernesto Samper Pizano. [end recording]

Another person who resigned was Deputy Communications Minister Omar Flores Velez, who plans to run for a seat in the Senate for the Change 2000 Movement.

[Begin Flores Velez recording] The current situation, prior to the elections in March 1994, and the surveys we have conducted give us great possibilities to get a seat in Congress. [end recording]

Those on the list of people wishing to become involved in politics prior to the March 1994 elections are the deputy economic development and deputy agriculture ministers and certain governors wishing to return to their seats in Congress.

It also was learned that a reorganization of the cabinet will be made in the next 48 hours.

'Key Figure' in Escobar Organization Surrenders

PA0203202593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Mar 93

[Text] Another harsh blow has been dealt to Pablo Escobar Gaviria's organization with the recent surrender of Fernando Posada Fierro, a key figure in the cartel's administrative organization. According to official sources, Posada and Fat Man Garcia [not further identified] handled 100 percent of the drug trafficking on Pablo Escobar's behalf.

Jose Fernando Posada was known by the aliases Mario Alberto [as heard; caption shows name "Mono Alberto"], Jaime Eduardo, and Don Alonso. According to the source, the alleged drug trafficker replaced Gustavo Gaviria, Pablo Escobar's cousin, after Gaviria was murdered. Posada assigned drug trafficking routes and shipment amounts.

Posada worked with Guillermo Zuluaga, alias The Knife [Cuchilla], and Diego Londono. All three men organized kidnappings and set the ransom amounts. Posada was commissioned by Pablo Escobar to handle drug-trafficking revenues, supply offices with funds intended for paid assassins who killed policemen, and procure dynamite for terrorist attacks.

According to an official source, Posada was part of a powerful criminal organization made up of Carlos Arcila Henao, alias Tomato [Tomate]; Gustavo Upegui Lopez; John Nasser, alias The Jew [El Judio]; Hernan Henao Quintero, alias HH, who was killed last night in a clash with Medellin police; Diego Arcila Henao, alias Long Hair [Peludo]; Luis Carlos Medina; Ivan Ramirez; Gabriel Uribe; and Carlos Serralde.

Two Escobar 'Lieutenants' Surrender 2 Mar

PA0303021193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Mar 93

[Report by Maribel Osorio]

[Excerpt] Two high-ranking lieutenants of Medellin Cartel chief Pablo Escobar surrendered at the Regional Attorney's Office in Medellin on the afternoon of 2 March.

Dario Cardozo Metante, alias El Comanche, for whom a 100 million-peso reward was offered, and Gonzalo Antonio Restrepo Henao, alias Chalo, surrendered after being pursued by Army troops in the exclusive El Poblado neighborhood. [passage omitted]

Army, Police Chiefs Comment on Pepes

PA0303031093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Mar 93

[Text] Everyday the country learns of a new attack perpetrated by the Pepes [Persecuted by Pablo Escobar] group. Since their appearance in Medellin a month ago, however, no authority has yet provided the names of the members of this clandestine organization, the objective of which is to eliminate Pablo Escobar and members of the Medellin Cartel.

General Hernan Jose Guzman, the Army commander, and Deputy National Police Director Octavio Vargas talked about Pepes for the first time on 2 March. They were interviewed by Miriam Ortiz.

The targets of this organization have been Escobar's collection of vehicles and paintings, houses and ranches owned by Pablo Escobar, as well as his best friends. Who are they and what is being done against them? These questions were put to the Army commander and to the deputy national police director.

[Begin recording] [Ortiz] Who are the members of this group?

[Guzman] We are working on that.

[Ortiz] What has been determined?

[Guzman] They must be former Escobar subordinates who are now beyond his reach or his intimidation; let us say it that way. These people are now taking action against Escobar.

[Vargas] It is a group of people who are outside the law. They are acting with a criteria of private justice. [end recording]

Many explanations have emerged as to who makes up Pepes. Some say they are members of the Cali cartel, members of the Galeano and Moncada families, or members of the Castano family. Others have even said certain members of the Army and the police are cooperating with Pepes.

[Begin recording] [Ortiz] Gen. Guzman, there is a common target: Pablo Escobar. Would the police be willing to work with them to capture Pablo Escobar?

[Guzman] Our actions are guided by the law. We work within a legal framework. We cannot allow our personnel to step outside the law to achieve certain objectives.

[Vargas] Until now, no public force member has been ordered to carry out that mission. It has never been determined that military or police personnel are involved. [end recording]

The Army commander said the country will soon learn the names of the members of this criminal organization.

Pepes Said To Kill Four Haitian-Born Men

PA0203213793 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 2 Mar 93

[Text] Authorities have identified the bodies of four Central Americans [as heard] shot to death in Medellin. The bodies, hands and feet bound, were found early this morning inside a car under the bridge on 33d Avenue on the eastern shore of the Medellin River. The men are identified as Nicolas Emanuel Estefan, 23; Nicolas Lleras Boris, 24; Lleras Nicolas, 29; and Terry Cadet, all of them Haitian-born.

The men were reportedly taken from the Amaru Hotel in the center of Medellin by men who identified themselves as members of the Persecuted by Pablo Escobar [Pepes] group. The men were then forced to go to the room occupied by Pepes and were evidently shot there. The bodies were taken to the place where police found them. The corpses are at the local morgue, where they will remain until procedures for repatriating them are complete.

Government Minister on FARC Letter to Pastrana

PA0203210293 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 2 Mar 93

[Report by Dario Arizmendi]

[Text] Revolutionary Armed Forces of Colombia [FARC] leader Alfonso Cano sent a letter to former President Misael Pastrana Borrero on 1 February. Pastrana, however, did not receive the letter until 26 February, he said in a note published in the 1 March issue of LA PRENSA.

Cano's letter reiterates the FARC's proposal to the government for a national reconciliation and states that the FARC attaches great importance to Pastrana's public remarks inviting all former presidents to persist in the peace efforts.

We have invited Government Minister Fabio Villegas to tell us about the government's reaction to Cano's note insisting on the possibility of holding peace talks.

[Begin recording] [Arizmendi] Good morning, Mr. Minister.

[Villegas] Good morning, Dario. This is an old strategy of the country's guerrilla organizations, particularly the FARC and the Guerrilla Coordinating Board [CG]. While continuing to perpetrate violent actions and terrorize the people, they attempt to misinform the public by expressing their interest in participating in negotiations. We think such negotiations or eventual talks should lead to peace. For that to happen, however, CG should show true willingness to incorporate itself into civilian and democratic life, to replace the use of arms and terror with a confrontation of ideas and the possibility of gaining political positions through a healthy ideological debate. That, however, is not what happened in the months following the Mexico negotiations. On the contrary, CG has persisted in terror and violence. In Uraba, for instance, CG is trying to impose its political views through assassinations, violence, and terror. Those acts stand in sharp contrast to former guerrilla organizations such as the People's Liberation Army, which showed interest in maintaining links with democratic life through great effort and sacrifice. The CG's stand is not typical of an organization that truly wants to contribute to establishing peace in the country, however.

[Arizmendi] Mr. Minister, in his letter Cano says FARC supports Pastrana's proposal to former presidents to take a stand on the procedures they might deem necessary to strike an agreement with the rebels. Would the government back a sort of council of former presidents that might outline a procedure for negotiating with the guerrillas?

[Villegas] Procedures can be discussed, but the real problem is a lack of willingness and interest on the part of the guerrillas to let negotiations lead to peace. The CG does not make truly political proposals and initiatives for the country that can be discussed in negotiations and which could lead to peace. Under such conditions, the manner of the dialogue is irrelevant.

[Arizmendi] What are the authorities doing and what are the government's instructions to arrest the members of the self-styled Pepes [Persecuted by Pablo Escobar], who are taking justice into their own hands outside the Constitution and bylaws?

[Villegas] The government has repeatedly rejected any attempt by private sectors to take justice into their own hands. We have appealed for the citizens' solidarity. We have called on the people to confront criminal organizations that terrorize the country and try to impose their views on values and culture. That solidarity, however, must be expressed through the legal authorities. That is what we have been encouraging. We repudiate all terrorist attacks regardless of who the perpetrators are. We rule out the administration of summary justice at one's own hand because we feel that that practice, far from contributing to the peace we all desire, only leads to further violence and terror. The authorities must apprehend those who perpetrate the terrorist actions in Medellin. [end recording]

Authorities Arrest ELN Explosives Instructor

PA0203214393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Mar 93

[Text] Authorities have arrested an important Army of National Liberation [ELN] member and disrupted a Revolutionary Armed Forces of Colombia [FARC] militia group. The ELN staff has taken another blow because Alfonso Marin, alias Molotov, was arrested hours ago in Santa Fe de Bogota. Authorities have identified him as the FARC's national explosives instructor. Marin is one of the ELN's oldest members. He survived Operation (Nanoria) in 1973 and was one of the creators of the Domingo Lain Front, which operates in Arauca.

[Begin recording, Army Commander General Hernan Jose Guzman] I think this is a decisive blow because Alfonso Marin, alias Molotov, was a very radical guy. He was an explosives instructor and he participated in crimes perpetrated by various fronts, particularly the Domingo Lain Front. [end recording]

The Army's actions have also affected the FARC. Troops of the 13th Brigade dismantled a Bolivarian Militia group that operates near Sumapaz.

[Begin recording, 13th Brigade Commander General Cipriano Quinonez] We arrested 10 Bolivarian Militia members. According to documents we seized and intelligence reports, we were able to ascertain the Bolivarian Militia provides logistic support to the criminal organization that operates in this zone. [end recording]

According to the military, the group was in charge of supplying food, weapons, and medicine to the Juan de la Cruz Varela Front, which is considered a security front for the FARC staff.

AD/M-19 Forum Highlights Internal Differences

PA0303035093 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 1 Mar 93 p 6a

[Text] The three days of the Ideological Forum served to bring to the fore the differences within the AD/M-19 [Democratic Alliance/19 April Movement]. The differences were more noticeable in the small gatherings than in the speeches to the main assembly.

Antonio Navarro Wolff admitted the country is not familiar with the ideas of the movement. He said that the multiple internal discussions since the political group was created have led to a weakening and talked about the need to get organized and turn ideas into action.

According to Navarro, the problem is not, as certain former fighters state, that it moved away from the plans proposed by Jaime Bateman Cayon and Carlos Pizarro Leongomez. "Their heritage and that of Fayad is to seek a new Colombia. It is a matter of principles that we are carrying out. We are committed to change, broad-mindedness, and flexibility."

Pluralism has not been a problem either, according to Navarro. What is missing, and must be the main AD goal, is to find common purposes.

Senator Anibal Palacio concurred with most of the proposals but said that it is very difficult to develop an organization in the middle of an election campaign.

Representative Gustavo Petro felt the AD needs more political activity and a better defined ideological profile, as well as to join the struggles of the people more decisively.

Representative Eduardo Chavez proposed that the AD support the process of privatization for the benefit of workers. "We are already doing that in the case of Alcalis de Colombia, where we proposed formulas to implement Article 60 of the Constitution, which forces the government to give preference to workers when selling public enterprises."

Armando Novoa, former chairman of the special legislative commission, said the alliance with leaders of other groups, for the purposes of influence peddling, was a mistake. "They must be maintained but for clear political purposes."

He also suggested leading the process to develop all the constitutional mechanisms to promote participation by the citizens and guarantee their rights.

Carlos Franco, former leader of the Popular Liberation Army and member of the Reinsertion Commission, said the major problem was the multiplicity of personal interests for the 1994 elections. "Everybody wants to be governor," he stated.

Pedro Bonnet, a liberal who also belongs to the AD, did not find major problems, other than those normal for a young political group, and announced he will remain in the AD. "The fighting over slates and aspirations will increase in three months or less."

Ecuador

President Remarks on Surgery, Issues

PA0203233093 Quito Voz de los Andes in Spanish 1200 GMT 2 Mar 93

["Exclusive" telephone interview with President Sixto Duran-Ballen in Washington by unidentified reporters in Quito—live]

[Text] [First reporter] Architect Sixto Duran-Ballen, welcome to our newscast. Good morning.

[Duran-Ballen] Good morning, thank you for calling.

[First reporter] It is a pleasure to talk with you. We want to send you greetings from Quito, Ecuador, on behalf of the country, Ecuadoreans, and our listeners abroad. We heard a few hours ago that you will stay in the hospital for 10 more days. We would like to know why and what steps will be taken for your rehabilitation.

[Duran-Ballen] No, no. I think the information is mistaken. I must remain in the hospital for a day or two more and I shall remain in the Washington area for approximately five days to undergo daily examinations. It was a serious operation because it involved opening muscles on either side of the spine and cutting into the spine to work on four lumbar vertebrae.

The doctors must continue their daily examinations and, even though this could obviously be done at home, they would rather continue to keep an eye on me. This means I might have to remain in the United States an additional five or seven days, but not 10 days and I certainly do not have to remain in the hospital. Judging from the latest report I received after the 1 March tests, I will probably leave the hospital on 3 March.

The doctors have yet to arrive this morning. It is still too early because we are in the same time zone as Quito. The doctors will continue to watch the wound heal throughout the day to decide if I leave on 3 March.

[First reporter] Architect Duran-Ballen, you will possibly return to the country next week. What is the issue that most needs your attention when you return?

[Duran-Ballen] I think all state matters are urgent. Many issues must be handled simultaneously. One of the things I mentioned to a journalist a few weeks ago, before I had to undergo surgery, was the varied nature of issues the president has to handle. One has to use a computer and switch from one program to another because each official who comes to talk with the president brings his own problems regarding his area of action.

The president must be aware of all the activities being carried out by the ministries and he must solve problems the ministers cannot solve at their level because they demand a presidential decision. Many times the president has to coordinate things with one or more ministries.

[Second reporter] Mr. President, good morning. Talking about inflation, one of the country's most essential problems, what are your views about the report that inflation went down to 1.73 percent in February?

[Duran-Ballen] We expected this, despite a slight increase in January. This was logical because new expenditures occurred, including the salary increase. We expect to resume the trend we have followed since October, meaning inflation being controlled and reduced on a monthly basis. The trend was 10 percent per month but it changed in September, when a sharper drop occurred, given the measures we implemented. The figure decreased to 2 percent in the next two months, but it went up again to 3 percent in January. This was to be expected, like I explained, and the figure again went down to 2 percent in February. We hope it continues to decrease in March.

[First reporter] Architect, an interesting debate occurred in the country regarding the state modernization bill presented by your administration. What is your position regarding the position taken by the public sector, which rejects privatization? Do you agree or disagree with the possibility of a plebiscite?

[Duran-Ballen] Look, I sent the bill....[pauses] You must remember one of the last actions I took out before my departure was to leave written instructions for the secretary general of the administration to send three bills as soon as sessions resume. The bill was sent because I agree with it.

I have said on various occasions that there are many ways to modernize the state. One of them is to reorganize many of the state agencies to make them efficient. Another would be to seek the creation of mixed enterprises so the state may share the rendering of services with third parties. The third possibility is to turn these enterprises into autonomous companies with state-owned assets. The fourth possibility would be an overall privatization, meaning the private sector would render these services, like what has been done elsewhere.

One of these formulas is applicable to each entity or agency and that is how it is being done all over the world. The idea is this will work. I do not think a plebiscite is necessary since everyone knows what this entails. Now I ask you if you feel satisfied with this or that service. How will you answer? No. If I ask you: Are you satisfied with the medical services at the social security institute? Could you tell me? Are you satisfied?

[First reporter] We are aware the country needs many changes. We believe the Congress and various groups in the country will understand this need to continue to improve the country's services because there is a lot of ineptitude. We want to thank you for your deference to Voz de los Andes. Before we bid you farewell, could you confirm what time it is where you are?

[Duran-Ballen] It is 0731 at Sibley Hospital. I think I will remain here all day and I will probably leave on 3 March. I still do not know at what time. I will remain at the Ecuadoran Embassy for a few more days.

[Second reporter] Your farewell words for the Ecuadoran and Latin American people who are listening?

[Duran-Ballen] Have faith in your government because it is determinedly trying to tackle the problems the state must solve in the most appropriate way. You have rightfully said we all know that services are not working and we must implement the changes the country has requested. We are aware of this and we will work commensurate with the needs of each government agency.

[Second reporter] Thank you, Architect Sixto Duran-Ballen, for accepting the invitation for an exclusive interview during our newscast. May God bless you. May you recover and return soon.

[Duran-Ballen] Thank you. You are very kind.

[Reporter] Goodbye.

Dahik Remarks on Asylum to Venezuelan Coupists

PA0203141893 Quito Voz de los Andes in Spanish 2300 GMT 1 Mar 93

[Text] The Ecuadoran Government has granted political asylum to two high-ranking Venezuelan military officers involved in the foiled coup d'etat in Venezuela. Vice President Alberto Dahik, who is acting president, said the problem does not alter diplomatic relations between Ecuador and Venezuela.

[Begin Dahik recording] I have asked the foreign minister to notify Venezuela and explain that these are normal diplomatic procedures. The appropriate consultations were carried out between the countries. The measure was considered advisable for regional interests and for all the countries involved, which are working together. We can no longer talk about isolated policies. There is a unity of views among Colombia, Venezuela, and Ecuador; hence, these issues are not discussed or settled in an isolated manner. [end recording]

Foreign Minister Confirms Asylum

PA0203213093 Quito Voz de los Andes in Spanish 1200 GMT 2 Mar 93

[Text] Ecuadoran Foreign Minister Diego Paredes has confirmed that the country granted political asylum to Colonel Higinio Alfredo Castro and Captain Oscar Jesus Navas Tortoleo, two Venezuelan military officers who participated in an uprising against President Carlos Andres Perez. Paredes said the decision was adopted for peace and humanitarian reasons. He believes Ecuador is thereby supporting the understanding and peace among our countries and harmony in Venezuela.

Peru

Finance Minister Addresses Congress on Economy

PY0303034993 Lima EL PERUANO in Spanish 17 Feb 93 p B1

[Text] Economy and Finance Minister Jorge Camet Dickmann has announced that the government will receive $100 million today from the IDB [Inter-American Development Bank], which is the first disbursement of the financial sector adjustment agreement for a loan of $321 million, including $100 million from Japan.

The announcement was made in an address to the Constituent Congress, delivered after 0300 early yesterday morning, in answer to concerns expressed by congressmen.

He said that it is expected that the IDB will this year disburse another $116 million for different projects, with an additional $162 million to be freely availabile this year.

He also announced that World Bank and IDB officials have offered loans of $100 million each to the National Compensation and Social Development Fund (Foncodes). This amount will be increased to more than the 800 million soles programmed by the government for social aid.

The minister also announced the creation of the National Public Investment System to give priority to public investment and to increase it. He added: "The name of this organization may vary, but if we plan to submit projects to the Paris Club next June, we have to have the projects ready so that when we get the investment money the projects will be implemented with the greatest efficiency."

In discussing the national financial system Camet said there are problems with the monetary supply and that its study will take two or three months. He added: "The system has structural problems, which can be seen in the following indicator: Per employee, the value of transactions in the banking system is $177,000, as opposed to the South American average of $1 million."

Regarding medium- and long-range lines of credit, Camet said that they should be activated quickly. He said: "I would like to say clearly that we should activate Cofide [Financial Development Corporation], which has $115 million from the CAF [Andean Development Corporation], $30 million of its own, and $200 million from the MEF [Ministry of Economy and Finance] for purchasing the debts of the financial system.

In his address, which lasted almost an hour, Camet said that the government will under no circumstance carry out a traumatic devaluation, indicating that the exchange rate has been kept higher than the inflation rate, in percentages, since last year. He said: "We have gained a real 10 percent, and this year we also plan to gain 10 percent."

After admitting that there is a dollarization of the economy, Camet said that in 1992 the liquidity in national currency, or the money plus deposits in new soles, increased by 2.3 percent in real terms.

He also said that the banking system's liquidity in foreign currency continued to recover in 1992, increasing to $454 million as compared to $139 million in 1991.

Regarding inflation, Camet said that the rate for February will be around 3 percent.

He also said that Peru is not in any condition to build the Olmos hydroelectric project. He explained: "We all want that project built, but it needs $800 million in investment." He added that our country must give priority to smaller projects for quick production to benefit many regions of the country, and not concentrate on a single project for many years without producing anything. He added that the the Tinajones project, which demands an investment of $200 million, and the Carhuaquero project are in the same boat.

Camet was also surprised by a congressman's request that the strategy for renegotiating the foreign debt be revealed. Since when are strategies made public, asked Camet, since that the benefits for Peru must be obtained with strategy and ability.

Regarding the letter of intent delivered to the IMF, Camet said that the changes were very simple. He added: "It added that the foundation of economic policy is pacification and that the entire economic administration is at the service of this. Without pacification there will be no internal or external investment, tourism, or many elements of reactivation and growth."

Economy Minister Views Dollarization, Inflation

PY0203233093 Lima EXPRESO in Spanish 17 Feb 93 pp A2, A3

[Excerpts] Economy Minister Jorge Camet has replied to Sode [Solidarity and Democracy] Congressman Manuel Moreyra, who said that the government could neither remonetize the economy nor reduce inflation because of the dollarization of the economy. The minister said in Congress that remonetization will be achieved through progressively reducing inflation which would thus restore confidence in the Peruvian currency.

Moreyra said inflation has for the past 15 months stayed between 3 and 4 percent, dollarization has increased, and the balance of payments will inevitably experience a crisis.

Camet replied that there is a downward trend in the inflation rate and that remonetization and dedollarization cannot be implemented artificially. The only way to do that, he said, is by substantially reducing inflation.

Camet said that inflation is dropping: in 1992 it stood at 57 percent; much lower than in 1991. He said that inflation in 1993 will be below 30 percent and will continue to drop.

The minister added that monthly interest rates, in real terms, are also dropping, and that the real exchange rate is registering a clear upward trend. "We gained 10 percent, in real terms, in 1992, and we expect the same again this year," he said.

He admitted that there was dollarization in the economy. He asked us to patiently listen to a detailed explanation. He added that this is important because, as he put it, "this greatly influences our credibility."

Camet said that in 1992, thanks to the drop in inflation, local currency liquidity grew by 2.3 percent in real terms despite a drop in production. "This has restored some confidence in our currency. This 2.3 percent growth is called remonetization," he explained.

He said that restoring confidence in our currency is a slow process which cannot be artificially accelerated.

He said that foreign currency liquidity continued to grow and that dollarization increased in 1992. He stressed, however, that this is not negative because it reflects a restoration of confidence in Peru, because people are bringing home their dollars. "If this has caused dollarization, well, I accept it. The minister said that confidence in the sol will eventually be restored and we will correct the scenario about which Dr. Moreyra is rightly concerned." He added that "the new sol will become stronger, but not through control mechanisms. Its strength will be based on strict fiscal and monetary policies that will reduce inflation. This is the clean way remonetize, without artificial control mechanisms."

Concerning Moreyra's remark that Peru's balance of payment is not viable, Camet said that this remark is based on balance of payment figures registered before negotiation with the Paris Club began, and which include delinquent interests. He said that reactivation will not harm the balance of payment if there is a floating exchange rate. On the contrary, he said it will strengthen the real exchange rate.

He commented that reactivation is slow but firm and that "no radical leaps can be taken when one inherited a disaster." [passage omitted]

The minister announced that on Peru will come off the black list of ineligible countries on 24 February, thus recovering its eligibility status.

"We will thus leave the list of 11 ineligible countries, among which are Somalia, Vietnam, and Iraq," he noted.

Inquest Finds Former President, Interior Minister Guilty

PY0303031293 Lima LA REPUBLICA in Spanish 17 Feb 93 p 15

[Excerpts] Judge Georgino Quintanilla Diaz reported yesterday that he had concluded the official inquest into the case involving former President Alan Garcia, former Interior Minister Agustin Mantilla Campos, and APRA [American Popular Revolutionary Alliance] leader Jorge Idiaquez Rios. Judge Quintanilla said that he is of the view that the defendants are guilty of crimes against public security and of the illegal possession of weapons, explosives, and ammunition.

Judge Quintanilla submitted a final report to the Second Criminal Chamber of the Supreme Court, in which he contends that the charges brought against the aforementioned defendants fall under Article No. 279 of the Criminal Code now in force, which establishes a penalty of 3-10 years' imprisonment for those who violate this law. [passage omitted]

The files will now be studied by the Second Criminal Chamber of the Supreme Court. Justices will have to decide whether it is lawful to start oral proceedings against the defendants, in which case they will remit the files to the appropriate prosecutor so that he may draw up a written requisition and demand the sentence and damages he deems appropriate. [passage omitted]

Existence of Pure Cocaine Labs Not Confirmed

PY0203223393 Lima EL COMERCIO in Spanish 17 Feb 93 p A9

[Text] Prominent sources of the Interior Ministry said yesterday that it would be premature to officially confirm the existence of a clandestine network of laboratories for producing cocaine hydrochloride in the jungle of Upper Huallaga.

This declaration comes just a few days after the seizure of a small plane in Colombia. It was carrying 500 kg of cocaine from Peru and Bolivia.

The sources said investigations along the Peruvian sea coast and in the jungle regions have only lead to the discovery of laboratories for processing cocaine base, known also as base or washed cocaine. This is the stage prior to making cocaine hydrochloride.

The final product is the cocaine which is taken by air and surface by the drug "cartels" of Colombia which is the half-way point between the coca plantations of Peru and Bolivia and the United States.

Similar results were obtained through the confiscations during the big raids in the Peruvian Amazon region (Upper Huallaga jungle and the Peruvian southern mountain range) where cocaine base or washed cocaine was seized.

The sources also said that only occasionally did antinarcotics agents discover "one or two poor imitations" of "factories" or laboratories for making cocaine hydrochloride in Peru.

In the northwestern part of Bolivia (Chapare coca zone), however, a laboratory capable of producing 5,000 kg of pure cocaine per week was discovered and destroyed in November 1991.

The Interior Ministry source did not discard the possibility that the Colombian drug "cartels" (Medellin or Cali) have decided to "move" their "kitchens" (clandestine laboratories for processing drugs) to the Peruvian jungle in the zone known as the Amazon trapezium [an area covering Puno, Cuzco, and Apurimac Departments, and parts of Ayacucho, Huancavelica, and Junin Departments].

This is possible because Colombian drug traffickers are being intensely harassed by Colombian antinarcotics agents.

That part of the Peruvian Amazon jungle has probably been chosen because it is difficult to access and penetrate. Drug traffickers feel quite safe there, carrying out their illegal activities.

It should be recalled that on 11 February Colombian officials intercepted a small plane in the Caqueta Department (Colombia) carrying 500 kg of pure cocaine that had come from Peru and Bolivia.

Use of Clandestine Airstrips for Drug Trade Examined

PY0303021093 Lima EXPRESO in Spanish 17 Feb 93 pp A14, A15

[Article by Liz Mineo]

[Excerpt] [Passage omitted] Despite the fact that drug traffickers have been using clandestine airstrips to transport drugs for a number of years, the use of these airstrips intensified after when the FAP [Peruvian Air Force] took control of Uchiza airport last year. This was the first airport in a series of nine that the FAP tracked down in the largest area in the world devoted to coca cultivation. These airports are currently under the control of the FAP.

An officer who had been commissioned to one of the FAP bases in the Upper Huallaga region stated that "we would no sooner arrive at an airport than drug traffickers would leave for another one. Then they started to use roads as makeshift airstrips."

Drug enforcement agencies believe that there are approximately 200 clandestine airstrips scattered throughout the Huallaga valley. The FAP has spotted some 70 "airfields," many of which are located along the Marginal Highway.

Quite cunningly, drug traffickers have used many stretches of the highway to build landing strips for their light aircraft. They have chosen the straight and level sections of the road, and have widened the narrow ones to enable aircraft to take off, as can be seen in the above photograph.

Many drivers who frequently use the Marginal Highway do not find it unusual to see traffic suddenly brought to a standstill because a light aircraft is landing, some meters away from them, under the vigilant eye of heavily armed thugs—sometimes Army personnel, according to some allegations—who are on the lookout for any possible mishap during the shipment. This is, however, a minor inconvenience for road users, as the shipment is made in less than no time.

The most frequently used landing field until mid-1992 was the one located in Campanilla District, near the town of Juanjui.

A total of 107 flights—averaging 15 a month—were registered from January to July 1992. This is an all-time record, which has not been equalled by any other airstrip in the region.

According to sources from the Antidrugs Division, the "owner" of the airstrip was the most powerful drug kingpin in the country, Demetrio Limoniel Chavez Penaherrera, better known as "Vaticano," who amassed a great fortune by collecting huge sums of dollars from drug traffickers for allowing them to use "his" landing strip, which is built on the Marginal Highway.

The three landing strips located in the Aguaytia valley are built on the Jorge Basadre Highway near the villages of Libertad, Boqueron, and Sacramento. Air traffic on all of them is heavy—12 flights were registered last November.

A total of 44 flights were recorded at an airstrip located near the town of Pampa Hermosa from January to July 1992. After a violent raid made by a group of thieves, who set a light aircraft on fire and got away with a huge amount of dollars and drugs, the place was considered "unsafe" by drug traffickers. At present the airstrip is practically deserted.

As for the landing field located near the village of Huicungo, air traffic was lighter than at the other airstrips until last August, when drug traffickers shifted their operations to this area following drug enforcement operations in Campanilla. This landing field is built on the road that links the villages of Huicungo and Pachiza, near Campanilla.

In Puerto Pizana, Sion, and Aucayacu, aircraft landed and took off with great regularity throughout 1992. In midyear, however, flights became more frequent due to the above mentioned operation in Campanilla.

Faced with the increasingly widespread use of clandestine airstrips, drug enforcement agencies have certainly

not sat back and done nothing, but despite their efforts they have not been able to curb the use of these airstrips by drug traffickers' aircraft.

The airstrip near Campanilla was the first target. Because it was a key point in the drug route, the police and the DEA put concrete blocks on the landing field to prevent any aircraft from taking off.

Other airstrips that were not built on roads were blown up. A blasting charge was detonated on an airstrip located at the village of Bonilla near Tarapoto last August. Some time later the airstrip was rebuilt by local villagers, many of whom earn their living from drug trafficking.

Something similar happened to the airstrip near Campanilla after it had been put out of commission. Peasants managed to move the cited concrete blocks. So as not to arouse suspicion, they would leave them on the road during the day, and remove them at night to clear the airstrip for landing.

Despite the problems they face, drug enforcement agencies continue with their interdiction policy, which aims at making things so difficult for drug traffickers that they give up the use of aircraft for transporting drugs—which is the most common means of transport for these operations—and opt for other means of transport which are less safe, slower, and more expensive: in sum, more vulnerable to police intervention.

During the last few months of the year police were able to reduce clandestine airstrip activity, though the level of this activity remains high. On the other hand, they were able to put a complete stop to flights landing at some airstrips located in the Upper Huallaga region. [passage omitted]

Judicial Branch Questions U.S. Human Rights Reports

PA0303041693 Lima Global de Television Network in Spanish 0000 GMT 3 Mar 93

[Text] The Judicial Branch Executive Council has questioned the U.S. Department of State report on the human rights situation in Peru, saying it contains serious erroneous concepts regarding the Peruvian Judicial Branch which are general and far from the truth.

The use of terms such as generally, generalized charges, and similar phrases casts doubt on the seriousness and validity of the report. The fact that it was issued by a respectable branch of a friendly government is worrisome, the Judicial Branch concluded.

* Fujimori's Impact on Stability, Democracy Viewed

93SM0146A Lima ARGUMENTOS in Spanish Dec 92 pp 5-7

[Article by Julio Cotler, of the Institute for Peruvian Studies (IEP): "A Short Ladder is Needed"]

[Excerpts] Despite the many and just repairs that have been made to the conditions and procedures of the 22 November elections, and now the way in which the recount of the results is progressing, it is indisputable that most of the electorate—not considering class, region, or urban vs. rural status—has lent its support to candidates backing the government, and by extension, to the actions carried out by Fujimori. Observations made in order to refute this reality, for example that more than half the electorate did not vote for the government, are unreasonable; they would require disqualifying the electoral regime.

Furthermore, votes for the other candidates also express the same sentiment, though less distinctly. This gives reason to hope that through this support, the majority CCD bloc can become established, and will subscribe to the Fujimori plans.

This support for the Chief of State, as a partial reflection of the approval of the majority of the people, confers upon him the resources to "irreversibly" and "slowly" redefine—as General Velasco used to say—the evolution of the political and social systems. Its spokespersons do not deny their plans to found a new republic which, based on a legitimate plebiscite, would forbid any kind of opposition, and would postulate an "authoritarian modernization" along the lines of Franco and Pinochet.

But it is too early to go from intentions to facts; among other reasons, because of the evident crisis caused by Fujimori in the armed forces, especially after the aborted coup of 13 November, and the persistent subversion; and the general dissatisfaction with economic policy and the dismantling of the decayed state apparatus, which is incapable of putting into practice an emergency program. In that same vein is the development of dissidence within the New Majority, and other groups who support it, with respect to the president's inability to satisfy the personal interests and appetites of everyone gathered there.

Under these circumstances, Fujimori's personalist and authoritarian vocation anticipates a future plagued with even greater turbulence and uncertainty, which is to say a great deal. As long as Fujimori continues with his technocratic "decreeism," he will try to resolve differences following the pattern to which we have become accustomed: blackmail, clientelism, manipulation, and "retreats forward," appealing to plebiscitary formulas of "direct democracy," which some careless or irresponsible people are proposing.

Also hanging on the electoral results, as is public knowledge, is the persistent inability of the "traditional" parties to come together in an alternative to Fujimori. [passage omitted.]

Maybe this fact is important in explaining the Peruvian paradox: the chief of the government that has applied such harsh and regressive economic measures, contrary to the electoral mandate, and of which the majority

continues to disapprove, is at the same time the one that receives majority political support.

The relative successes of the government in reducing inflation and international reintegration—at the cost of known sacrifices—together with the capture of [Shining Path Founder Abimael] Guzman, has served to justify the president's disdain for "formal democracy" and create the illusion that despite everything, Fujimori is on the right track to resolve the two fundamental problems facing the country, the economy and pacification. That is, Fujimori wins successive political victories as long as he responds to the demands for order, stability, and authoritarian efficiency.

Added to this is a mistrust of the parties, accented by the continual diatribes of tirios and toryanos, and the absence of a valid and plausible alternative, which gives Fujimori the opportunity to personally and arbitrarily manage public affairs.

A great deal has been said on the causes of this mistrust, on which it is not currently worthwhile to expand. Nevertheless, it is enough to say that it is founded on the traditional inability to join forces, creating a system of parties that serves as a collective reference for forging a new political community. As was seen during the entire past decade and now in an irremediable manner, the creation of factions within parties and their deterioration into internal fragmentation calls to mind the need for a "leader"—a boss—who with a "strong hand" creates order out of the existing chaos that has pulverized political and social identities. [passage omitted]

Thus, although with characteristics specific to itself, what is observed in Peru is part of the universal phenomenon of institutional disintegration and political redefinition, which appeals to the authoritarian volunteerism of a chief charged with attending to the desperate and disorganized social masses.

Many intellectuals and social scientists have explored the relationships between leaders and the masses under conditions of institutional decomposition, which today are catalyzed by globalization and Washington's consensus. In addition to the well-known texts by Arendt, Canetti, Eisenstadt, and Kornhauser, there are Latin American texts like those of Cavarozzi, O'Donnell, Paramio, Portantiero, and Zermeno. That is, contrary to the traditional perception that the Peruvian phenomenon is unique, the Peru of today forms part of a rather general dilemma which, as might be expected, presents its own peculiarities.

These conclusions provide me with the basis for formulating the need to create a wave of opinion to maintain and encourage democratic procedures and ideology. I believe that now more than ever, we are called upon to counteract political discouragement and cynicism, providing the bases for the reconstitution of democratic and national references. [passage omitted.]

Perhaps this position is characterized as "minimalist" to the extent that it does not directly call attention to the people's social-economic requirements. Nevertheless, if we take into account the democratic ideology and procedures and have the attention of the social interests, it can be concluded that there is no contradiction between the two propositions. If it is true that democracy alludes to a political regime, it involves and pursues the establishment and satisfaction of organized interests as civilian society that, together with the existence of democratic institutions, constitutes the foundation for the existence of a democratic regime.

On the other hand, if "maximalist" platforms are postulated, it will be impossible to make concrete the formation of a broad front that brings together contradictory social aspirations, thus maintaining the existing dispersion and contributing to the consolidation of the current regime, or worse, the development of subversion as the only viable solution.

In conclusion, the question of forging a wave of opinion that will channel the establishment of a multiparty system around democracy, which results in a political refoundation of the country, should be an urgent task, for everyone and for now. Otherwise, without democratic, valid, and feasible alternatives, we will leave the field free to all types of authoritarian, demagogic, and terrorist variations, which will impede the republican refoundation, and worse, drown out the progress made thus far with the predictable consequences.

In this task even the armed forces, who now pass as the unconditional allies of Fujimori, could be interested, given the arbitrary and personal manner with which he has managed that institution.

* Fujimori's Reform of Foreign Ministry Assessed

93SM0143A Lima PERU ECONOMICO in Spanish Jan 93 pp 12-13

[Report by Luis Jaime Cisneros Hamann: "The End of Torre Tagle?: Reorganization and Politicization in the Foreign Ministry"]

[Text] The recent legal provisions pertaining to the Peruvian diplomatic service have had the impact of an Exocet missile on the waterline of Peruvian diplomacy. The organic law pertaining to the Ministry of Foreign Relations, the Diplomatic Service Law, and the dismissal of employees all point unerringly toward the liquidation of the institutional system developed in Torre Tagle over the past 50 years.

In the words of Ambassador Juan Miguel Bakula, "The government is seeking to eliminate the function of the diplomatic service as the manager of Peruvian foreign policy, in order to pave the way for the new era Fujimori hopes to inaugurate with the transformation of the structure of the Peruvian state apparatus, wherein ambassadors will be selected personally and appointed at

the whim of the government." The new measures confirm the legendary rejection by the recently ratified constitutional president, Alberto Fujimori, of Peruvian diplomats, whom he has described on more than one occasion as frivolous, idle, and finally, guilty of "doubtful conduct." In fact, since he took office in July of 1990, President Fujimori has for all practical purposes done without the services and advice of Torre Tagle on foreign policy. His approach has been to exclude diplomatic personnel when it comes to the issues on the foreign policy agenda—drugs, and financial reincorporation itself. The most notable case had to do with drug trafficking, in which connection President Fujimori entrusted Hernando de Soto with the Washington negotiations of the now forgotten antinarcotics agreement with the United States inspired by the so-called "Fujimori doctrine."

Since the beginning, it has been clear to analysts and those in the know that Fujimori is determined to change the diplomatic service drastically—one which is, paradoxically, regarded as one of the most seriously professional institutions in the region. The government's intent is confirmed, in the light of recent measures. That intent is to convert the diplomatic service and its embassies into a dependency of Publicity and Public Relations, a kind of unthinking institution unconditionally supporting the regime in power. Recurring reports point to Santiago Fujimori and Luis Silva Santisteban as the foreign-policy advisers entrusted with giving form to the president's plans.

President Fujimori's criticisms of the diplomatic service have not been mere warning shots. The recent measures promulgated and the dismissal of 117 individuals in the diplomatic service put the finishing touch on a series of reforms that had fallen by the wayside. Earlier, former foreign ministers Carlos Torres and Augusto Blacker had no better luck with reforms designed to reorganize the Ministry, although not so drastically as the reform recently outlined. These efforts created a rarefied atmosphere in Torre Tagle. Aware of this, Oscar de la Puente extended an olive branch to the diplomatic personnel when he took over the foreign ministry. Reversing a controversial decision made by Blacker, he ordered that the general secretariat of the Ministry be returned to "its traditional place, adjacent to the office of the foreign minister, so that it can regain its proper level and importance within the structure of the Ministry." However, the recent presidential instructions implemented by the president of the Council of Ministers contradict this position. They seek to put an end to what a presidential adviser has described as the "dysfunctional nature of the foreign ministry in relation to the state and society."

It is true that in a changing world, and one in which all of the disciplines are interlinked, a reorganization of the Ministry of Foreign Relations could not be postponed. There was a consensus to the effect that a reduction in personnel was needed, as was the case in other departments in the public sector. While it is true that any foreign ministry must have idle capacity available for use when there is a need to resolve crisis situations, and the Ministry must act as the "fire department," 500 employees were too many. Also, many sectors were behind the times or lacked any links with the principal economic agents operating in the private sector.

The problem is that the reform proposed by the government eliminates the principal function of the Ministry, which is to serve as a living archive, so that it can contribute through its recommendations to the drafting of a foreign policy the main guidelines of which can be sustained over time. This policy will now be drafted by the government in office on the basis of short-term goals. This process begins with the downgrading of the role of the secretary general, who will in the future have only administrative functions, and the creation of vice ministries that are to be headed by political appointees. The authority to dismiss up to 10 ministerial employees on each level (an earlier proposal suggested the elimination of two employees on this basis, so that it can be concluded that the presidential advisers, or President Fujimori himself, decided to raise the figure) destroys the diplomatic service as a career option. The Diplomatic Academy fades in importance, because it ceases to be the main route providing access to the service. In synthesis, diplomacy ceases to be a permanent profession, and becomes a temporary occupation for individuals who will lack a common tradition and organizational context. On the basis of the new laws, ambassadorial posts will be open to everyone, a process which the government will utilize to coopt the state apparatus, with party loyalty as the criterion.

The provision reducing the retirement age to 60 is equally debatable. In the United States, the retirement age was altered, but upward—from 60 to 65. The retirement age in Brazil was lowered to 60, but then raised to 65 again. Under the government of Alan Garcia, there was a similar effort, but it failed to prosper.

The diplomatic service was made professional precisely in order to free it from political appointments, so as to opt for competence and to eliminate influence as a factor. The professionalization of the service dates back to 1935, when the competitive system was established, and then the Academy was established as the route providing access. What President Fujimori has done means a return to the era of President Leguia, when appointments were a matter of personal choices.

In answer to the criticisms, sources close to Council of Ministers President de la Puente point to the example of the Colombian diplomatic service, which, they note, is not a professional service but is based on open competition. However, Colombia has political and state institutions that are more solid than such institutions automatically become in a meritocracy.

Another of the many polemic issues involved in the reorganization of the foreign ministry has been the dismissal of 117 individuals. According to a source close

to the commission that evaluated the personnel, there was no agreement on the reduction in staff, nor on how it should be implemented—that is, on whether a professional-technical or political-affiliation criterion should prevail. Some of the members who participated in the drafting of the new laws insist that the dismissal list was expanded at the Palace. Eighty diplomats have been removed, pursuant to the decree law on the reorganization. And many of them were dismissed for the crime of political affiliation, or because they suggested foreign-policy alternatives. The Palace tactic has been to promote enmities among the diplomatic colleagues themselves, to use them and then to dismiss them.

A diplomatic source who prefers to remain anonymous, "now more than ever," has told PE [PERU ECONOMICO] that the strategy required in order to force the government to retreat is to seek a solution through the CC [Constitutional Congress]. However, to achieve this the government majority would have to be convinced. Many diplomats still serving believe that the government decision destroys the structure for the management of international policy without offering any improvement in exchange. And this is a serious matter in terms of our sovereignty, because it abandons to improvisation and political favoritism a sector in which only adequate education and training can guarantee the avoidance of errors that the country may regret in the future.

Venezuela

President Perez on New Legislative Term

PA0303032993 Caracas Radio and Television Networks in Spanish 2120 GMT 2 Mar 93

[Speech by President Carlos Andres Perez to Senate and Chamber of Deputies representatives at Miraflores Palace in Caracas—live]

[Text] Mr. President of the Senate, Mr. President of the Chamber of Deputies, members of the Senate and of the Chamber of Deputies commissions who have come to inform the nation's chief executive of the initiation of the new 1993 legislative period:

I am pleased to receive at Miraflores Palace, with the ministers of state, you senators and deputies. I want to express my satisfaction with the words I have just heard from Senator Aristides Beaujon, representing the Senate commission that he chairs, and those of Deputy Federico Ramirez Leon, representing the commission that he chairs. The words we have just heard appear to be a very good omen for this final legislative session of this constitutional term. These words, broadcast by radio and television, have reached the ears of our compatriots in all Venezuelan homes.

This is the last year of this constitutional term. During the failed coup in November, an attempt was made to prevent the holding of this solemn and traditional event that we are currently engaged in at Miraflores Palace. Likewise, an attempt was made to prevent the election of state governors, mayors, and municipal councilmen.

If I bring this matter up now it is not in any way a reproach of the conduct of my fellow Venezuelans. On the contrary, it is to emphasize the strength of Venezuelan democracy. Despite the attacks it had to overcome in 1992, it is now vigorous and willing to continue progressing so we can overcome our problems and amend our errors. In a brief assessment, democracy was served satisfactorily by the conduct of all the nation's social sectors.

Our Armed Forces gave an extraordinary demonstration of the strength of the democratic principles on which they are formed and conduct themselves. We could say in this brief assessment that in Venezuela the democratic system has come out stronger because it has demonstrated that our nation cannot ever again be the target or the victim of armed attacks to gain power. This power belongs to the people.

Our parties and institutions have defects, and—as Senator Beaujon said—all of us are partly responsible for the unsolved problems and the difficulties we are experiencing. This is the truth in all parts of the world. We must constantly revise our actions, correct our errors, and always seek the just path to reach our goals of progress and general wellbeing.

In spite of the difficulties we are experiencing and the problems we have to solve, we Venezuelans must not feel pessimistic. I always deeply regret when I see pessimists in our country, or—as Senator Beaujon pointed out—when people attack a basic principle of the strength of a nation and its people, that is, their self- esteem. This is a goal that all Venezuelans must establish in civilian and political life.

I sincerely feel we must reach an agreement among the political parties and their leaders to establish the bases on which our democratic system is founded, as a matter of common defense, as a heritage of all Venezuelans. We must respect each other; we must trust each other. Those of us who have accepted before all Venezuelans the responsibility of directing the fate of the nation must be able to state that those in the opposition and those in the government must seek the same goals in looking to solve the problems affecting our nation. We have good intentions, faith in the fate of our fatherland, and we are not prepared to confront each with weapons banned by civilized societies and methods shunned by parties that call themselves democratic.

It is not possible for us to think that any group in the Republic may seek to create clandestine movements that may possibly destroy another group of Venezuelans. Those of us who feel democracy lives within us, who trust that respect for human dignity is the central force of all our actions in political life, must strongly reject all expressions or all suspicions concerning the motives and objectives of the democratic political parties in the

struggles that are waged for political control and the democratic control of the means of power.

I have been deeply worried by news reports I have read or heard citing national political figures as saying mercenary groups have been created or clandestine groups are being prepared to carry out criminal attacks to enable some political group to prevail over others. All the political parties bear the responsibility of making room for trust and reliability, something that belongs to all Venezuelans. This ought to be a common heritage that protects us with the certainty that ours are civic struggles, loyal struggles, and democratic controversies that seek to stimulate what is positive in the country. These struggles in no way seek control through violence to exert power and hold positions in the country's public life in an unethical or immoral manner.

It is indispensable that Venezuelans ponder the need to demand that all who express their views in the news media have an elementary respect for the rules of democratic coexistence and a fundamental respect for the institutions and motives that inspire the groups competing with each other, because that is the motive and objective of the democratic process. At the start of our democratic process in Venezuela, we were fortunate to eradicate violence. We succeeded in bringing back to civic life those who at one time had thought that violence was the only possible way of establishing democratic institutions in the country.

We cannot but see with profound anguish that many years after that struggle we are in some way reliving the possibility of unrest that may bring us mourning, violence, and irrational confrontation. I am saying this as the country gets ready for a decisive electoral campaign. The people will elect the new leader of the nation's destiny and members of the legislative chambers; in sum, the Venezuelan nation's essential leadership of democratic power. As Deputies Beaujon and Ramirez Leon have stated, we share a responsibility that involves all citizens, not just the state institutions and our fellow countrymen who are part of those institutions. We must see it and regard it this way.

This will be a decisive year, during which our country will face many difficulties. Because of this our efforts and dedication must be even greater than in other phases of our national life.

Congress has reduced its sessions for the last year of the constitutional period. Congressional sessions will be held during the first part of the year. As stated before, sessions will end on 16 August. Time is relatively short, because it would be unfair and improper to ask Congress to dedicate its time exclusively to legislation, because it has other important duties to carry out in guiding the public and participating in debates concerning fundamental matters of our national life. We Venezuelans cannot deprive our compatriots who represent various political organizations in the Congress from exercising this right. At the same time, and we are pleased to corroborate what Senator Beaujon and Deputy Ramirez Leon said: The work done by Congress during this constitutional period has been satisfactory, and has met the country's needs.

During this phase of its legislative period, however, Congress must discuss a series of laws that are fundamental and necessary for the nation, and which have been mentioned here. They include amendments to institutions. They include electoral reform to give the country a new system, taking advantage of more than 30 years of democratic life, reforming our voting system, and preventing confusing situations like those we experienced in the December elections as a result of the current primitive voting and vote counting system. This system was very important and served its purpose at the beginning of our democratic life, but today it is notoriously insufficient and even dangerous for the stability of our institutions.

I would like to take advantage of this opportunity to say that, although it has no jurisdiction in the country's electoral system—the Supreme Electoral Council and its branches—the national government is willing and is actively working to cooperate in every way possible with the electoral organizations in creating the reforms and new mechanisms to give Venezuelans greater confidence in the process. Within these circumstances, I am sure the National Congress will diligently fulfill its duty of approving the new Electoral Law.

There are other laws, such as the Comptroller General's Law, which is necessary to modernize this fundamental instrument to guarantee a more adequate and honest handling of the nation's resources.

Another law consists of reforms to the Superior Court for the Protection of Public Property Law, which is part of a series of laws to face a problem that concerns the entire nation: the honest and efficient handling of the Venezuela's national resources.

Other bills, such as the one on privatization, are indispensable to ensure the continuation of the process by which the state transfers to the private sector companies that should not be in its hands. Other bills pertain to tax reform. These are very urgent bills. As was noted here, the Executive Branch should implement a serious and profound austerity program and reduce expenditures. We are doing just that.

If we have failed to meet all expectations it is because we are facing a very difficult situation. The Venezuelan budget is very inflexible and very difficult to handle. Above all, we have not been able to carry out the needed dismissal of a considerable number of public administration officials at the speed we wanted, first because it involves huge costs and we lack resources as large as this, and second because this process should be linked to national economic growth to avoid creating another evil, increasing unemployment, which fortunately we have controlled.

The delay or failure to approve these tax laws should by no means be linked to the government's ability to achieve the desired austerity levels. We are at the end of a constitutional term. I, as a responsible head of state with historic vision, should by all means ensure the next leader faces less harsh and conflict ridden conditions than those my administration has experienced.

These bills will mainly benefit the next government. It would be irresponsible of me to wait until the start of the next constitutional term. I must assume full responsibility for ensuring the new president, the new Venezuelan Government, will have all the laws and tools it requires. I must ensure that there will be no obstacles in the way of a new administration to better possibilities of meeting our aspirations.

This is why these bills are now more important than ever. Failure to approve them would not be justifiable even with claims of inefficiency or the alleged ineptness of the current government in complying with provisions. Senators and Deputies, let us focus on the Republic's future; let us understand our responsibility will not end on 2 February 1994, although we are concluding a constitutional term, because the Venezuelan nation must move forward.

Our responsibility continues into the future. The Executive and Legislative Branches must work together and keep in mind we share a responsibility with the government that will emerge from the December 1993 elections. This is why these bills in the hands of the Congress are so important. This is especially true because the government I head feels its responsibility, I repeat, does not stop at the conclusion of its constitutional term. It thinks we must ensure continuity and improve conditions surrounding Venezuelan public administration.

The statements by Senator Beaujon and Deputy Federico Ramirez Leon lead me to state before my people in this solemn occasion my complete confidence that the Congress of the Republic will assume its responsibilities in this last phase of its constitutional duties and will give the nation the laws, which all Venezuelans are expecting, to complement this process of transformation and reform we started.

Thank you very much, Senators and Deputies, for inviting me as head of state to this inaugural session of the last constitutional term. I wish you great success in your work and pledge the sincere and diligent cooperation of the Executive Branch. [applause]

Foreign Minister Ochoa on Asylum for Coupists

PA0203205793 Caracas Venezolana de Television Network in Spanish 1550 GMT 2 Mar 93

[Text] Foreign Relations Minister Fernando Ochoa Antich, commenting on the Colombian Government's decision to allow the Venezuelan military officers involved in the 27 November coup attempt to leave that country for Ecuador, where they have been granted political asylum, said Venezuela abides by international laws and respects decisions made by other countries.

[Begin Ochoa recording] The Venezuelan Government does not meddle in decisions about asylum made by either the Colombian or Ecuadoran Governments. Those countries have the sovereign right to make the corresponding decisions.

Colombia sovereignly deemed it appropriate to release the officers who rebelled on 27 November. The officers requested asylum from Ecuador, and the Ecuadoran Government granted their request.

Venezuela respects American laws and thus accepts the decision without expressing an opinion on the two government's positions. [end recording]

Defense Minister Comments on Drug Trafficking

PA0303042693 Caracas Venezolana de Television Network in Spanish 2350 GMT 2 Mar 93

[Report by Cecilia Pachano]

[Text] Defense Minister Ivan Dario Jimenez Sanchez said in Miraflores Palace on 2 March that the drug trafficking problem in Venezuela, despite its seriousness, can be brought under control, which in fact is being done.

The defense minister said that if serious measures against drug trafficking are not taken, this problem could slip out of the hands of the authorities. He said our country has been used as a drug trafficking bridge and that the country's security forces have detected an increase in the number of coca and marijuana plantations in the Perija Mountain Range, an area where plantations and laboratories have been destroyed. According to him, the actions by the authorities are not enough and a greater presence is required in those areas.

[Begin Jimenez recording] If we do not take serious measures with the honest desire of putting an end to drug trafficking activities, this problem could slip out of our hands. For the time being the problem can be brought under control, at least here in Venezuela. However, we have to act firmly by applying the full weight of the law to control it. [end recording]

According to the defense minister, the problem in fighting drug trafficking is not the budget, rather it is a matter of stepping up the level of coordination and effort among the Armed Forces, the police forces, and the Judicial Branch.

As for the asylum granted by the Ecuadoran Government to the Venezuelan military officers who were in Colombia, Jimenez said he believes this is positive because it reaffirms the exercise of the sovereignty of peoples as stipulated in Latin American international law.

Tocoron Jail Under Control Following Riot

PA0303010693 Caracas Venezolana de Television Network in Spanish 2350 GMT 2 Mar 93

[Text] The Tocoron jail, in Aragua State, remains under the control of the National Guard following the riot that broke out on Monday 1 March, which left a toll of 11 dead.

[Begin recording] [Reporter Johnny Ficarella] Justice Minister Francisco Cumare Nava reported the news, while giving details of the situation that arose in the Tocoron jail, located 40 km from Maracay. The official explained the riot broke out because the relatives of the inmates were the victims of theft during a Sunday visit. In addition, one rape attempt was reported. For this reason, the situation is tense inside the jail, although it is under control.

[Cumare] The official information we have so far stated nine [as heard] persons were killed. Some injured convicts have not been treated. Judges and prosecutors at the Attorney General's Office are conducting an investigation. In addition, we have Prison Directorate inspectors working on the appropriate investigations.

[Ficarella] Cumare also explained the incident can under no circumstances be attributed to the transfers from the Flores de Catia judicial detention center to the different jails in the country. The newly appointed minister said only 2,044 inmates remain in the Flores de Catia detention center, and they will be transferred in a few months. [end recording]

CAF Grants $47 Million Loan to Petrochemical Sector

PA0203151693 Caracas Venezolana de Television Network in Spanish 2300 GMT 1 Mar 93

[Text] The Andean Development Corporation [CAF] has granted $47 million to the Venezuelan petrochemical industry, thereby making loans available to this important economic sector for international projects.

CAF President Enrique Garcia said this most recent loan brings the total number of loans granted to the petrochemical sector to five. The last loan will finance construction of a petrochemical plant to produce methanol. That product is in high demand on international markets and is currently being imported by Venezuela. Here is what Enrique Garcia said:

[Begin recording] [Garcia] We are very pleased to have signed this $47 million loan. This is the largest loan contract CAF has ever granted to the private sector.

[Unidentified reporter] Do you foresee any other projects in the future?

[Garcia] Certainly. We want to continue working with the Venezuelan productive sector and within the petrochemical sector, with the Petrochemical Company of Venezuela [PEQUIVEN], and with all the PEQUIVEN by-products. They are our most important customers in Venezuela.

[PEQUIVEN President Arnoldo Volkenborn] On an international scale, this is a very large methanol plant; 670,000 tons. The $360 million is a significant investment, and it is based on Venezuela's competitive advantage as the country produces a lot of natural gas. [end recording]

The PEQUIVEN president said that in addition to the CAF loan, an Italian firm [name indistinct] and other large financial partners are also participating in the project.